

## DOCKETED

<b>Docket Number:</b>	07-AFC-06C
<b>Project Title:</b>	Carlsbad Energy Center - Compliance
<b>TN #:</b>	204060
<b>Document Title:</b>	Notice of Ex Parte Communication of Poseidon Channelside
<b>Description:</b>	Poseidon Desalination Support for Carlsbad Energy PPTA
<b>Filer:</b>	Robert Sarvey
<b>Organization:</b>	Robert Sarvey
<b>Submitter Role:</b>	Intervenor
<b>Submission Date:</b>	4/6/2015 9:38:30 AM
<b>Docketed Date:</b>	4/6/2015

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric  
Company (U 902 E) for Authority to Partially  
Fill the Local Capacity Requirement Need  
Identified in D.14-03-004 and Enter into a  
Purchase Power Tolling Agreement with  
Carlsbad Energy Center, LLC.

A.14-07-009  
(Filed July 21, 2014)

**NOTICE OF EX PARTE COMMUNICATION OF  
POSEIDON CHANNELSIDE**

Peter MacLaggan  
Poseidon Channelside  
5780 Fleet Street, Suite 140  
Carlsbad, CA 92008

April 3, 2015

Pursuant to Rules 8.3 and 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Poseidon Channelside provides this notice of the following ex parte communication.

On March 30, 2015, Peter MacLaggan, on behalf of Poseidon Channelside, mailed a letter to each of the Commissioners addressing the proposed decision issued in this docket. A copy of the letter is attached to this notice. The letter was served on parties on the same day that it was mailed to the Commissioners.

Respectfully submitted,

*/s/ Peter MacLaggan*

Peter MacLaggan  
Poseidon Channelside  
5780 Fleet Street, Suite 140  
Carlsbad, CA 92008

April 3, 2015



## **POSEIDON CHANNELSIDE**

a Poseidon Water company

March 30, 2015

President Michael Picker  
Commissioner Mike Florio  
Commissioner Catherine J.K. Sandoval  
Commissioner Carla Peterman  
Commissioner Liane M. Randolph  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: A.14-04-009 – Application of San Diego Gas & Electric Company (U 902 E) for Authority to Partially Fill the Local Capacity requirement Need Identified in D. 14-03-004 and Enter into a Purchase Power Tolling Agreement with Carlsbad Energy Center, LLC.

Dear President Picker and Commissioners Florio, Sandoval, Peterman and Randolph,

On behalf of Poseidon Water, I urge you to reject the Proposed Decision and approve the Power Purchase Agreement (PPA) between San Diego Gas and Electric (SGD&E) and the Carlsbad Energy Center.

Poseidon Water is constructing the Carlsbad Desalination Project in partnership with the San Diego County Water Authority. When completed later this year, this facility will be the largest of its kind in the Western Hemisphere and will deliver up to 50 million gallons of drinking water a day. The Carlsbad Desalination Project will enhance water reliability for San Diego County by providing a locally controlled drought-proof source.

Desalination requires a stable supply of power 24 hours a day. Given the project's location adjacent to the Encina Power Station, we are keenly aware of the retirement of 965 MW by the end of 2017 to comply with once through cooling (OTC) regulations. A delay in approval of the PPA means that SDG&E will not have replacement capacity online by that time, potentially exposing the San Diego region to increased uncertainty with respect to power supply reliability.

Energy efficiency measures, demand response, renewable energy, and energy storage will clearly play an increasing role California's energy future alongside state-of-the art flexible gas-fired generation like the Carlsbad Energy Center. At a time when the SDG&E service area has lost the San Onofre Nuclear

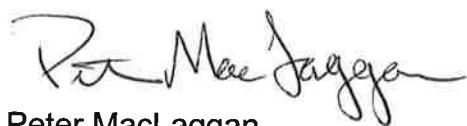
**Poseidon Channelside**

5780 Fleet St., Suite 140 Carlsbad, California 92008 Phone: (760) 655-3900 Fax: (760) 655-3901  
[www.poseidonwater.com](http://www.poseidonwater.com)

Generating Station, and will soon lose the Encina Power Station, power supply reliability is a pressing consideration.

We note that Carlsbad Energy Center LLC has suggested an approach in which a project of reduced size might still be constructed in time for the retirement of the Encina Power Station. We recommend that you consider this proposal as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter MacLaggan". The signature is fluid and cursive, with the first name "Peter" written in a smaller, more compact script than the last name "MacLaggan".

Peter MacLaggan  
Senior Vice President