

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA**

Application for Certification for the
San Gabriel Generating Station

Docket No. 07-AFC-2

DOCKET	
07-AFC-2	
DATE	<u>MAR 1 2012</u>
RECD.	<u>MAR 1 2012</u>

**SAN GABRIEL POWER GENERATION, LLC
SUSPENSION STATUS REPORT NUMBER 12**

March 1, 2012

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**SAN GABRIEL POWER GENERATION, LLC
SUSPENSION STATUS REPORT NUMBER 12**

In accordance with the Committee Order Suspending Proceeding dated June 8, 2011, the applicant in this proceeding, San Gabriel Power Generation, LLC (“San Gabriel”), submits its suspension status report number 12. San Gabriel filed an application for certification for the San Gabriel Generating Station, a 696 megawatt natural gas-fired electricity generating facility to be located in Rancho Cucamonga, California within the jurisdiction of the South Coast Air Quality Management District (“SCAQMD”).

San Gabriel requested the current suspension of this proceeding due to permitting difficulties associated with the unavailability within the SCAQMD of certain emission offsets needed to satisfy applicable SCAQMD rules. Those difficulties were described in detail in San Gabriel’s Request for Additional Project Suspension dated April 27, 2011, and in San Gabriel’s prior suspension status reports. Those difficulties continue to persist and a solution that would facilitate permitting and construction of the San Gabriel project has not yet been identified.

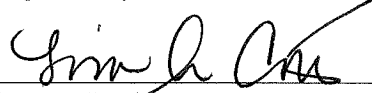
As reported in suspension status reports 10 and 11, San Gabriel continues to monitor activities and participate in venues related to the emission offsets issue. These include public workshops held pursuant to Assembly Bill 1318 (“AB 1318”), which requires the California Air Resources Board, in consultation with the Commission, the California Public Utilities Commission (“CPUC”), the California Independent System Operator (“CAISO”), and the State Water Resources Control Board, to prepare a report for the Governor and the Legislature that evaluates the electrical system needs of the South Coast Air Basin. The report is to include recommendations for long-term emission offsets availability to support any additional fossil fueled facilities that may be needed for reliability purposes. Currently the agencies are awaiting completion of a CAISO system reliability study. Once the study is available, there are likely to be additional public workshops and other processes to determine next steps.

San Gabriel also continues to monitor the progress of a CAISO study expected to identify electric system reliability impacts as a result of implementing the State Water Resources Control Board Once-Through Cooling Policy and the requirement for load serving entities to meet a 33% renewables portfolio standard by 2020. The CAISO study is expected to be released in early 2012. San Gabriel's affiliates also continue to participate in the CPUC's current Long Term Procurement Plan ("LTPP") proceeding, where progress is expected to continue during 2012 with an evaluation of the results of the CAISO study, possibly culminating in a finding that new flexible generating capacity will be needed by the end of 2020. The LTPP process may lead to competitive solicitations that provide power contracting opportunities that would support development of the San Gabriel project.

San Gabriel continues to believe that the San Gabriel project is well suited to meet the electric reliability needs of Southern California while supporting the goals of AB 32 and the integration of new intermittent resources built to meet the State's 33% renewables portfolio standard. The project also offers benefits associated with the use of an existing power plant site.

March 1, 2012

Respectfully submitted,



Lisa A. Cottle
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Attorneys for San Gabriel Power Generation, LLC

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DECLARATION OF SERVICE

I, Lisa A. Cottle, declare that on March 1, 2012, I served and filed copies of the attached *San Gabriel Power Generation, LLC Suspension Status Report Number 12*. These documents are accompanied by a copy of the most recent Proof of Service list, located at the web page for this project at <http://www.energy.ca.gov/sitingcases/sangabriel/index.html>.

These documents have been sent to the other parties in this proceeding (as shown on the attached Proof of Service list) and to the Commission's Docket Unit in the following manner:

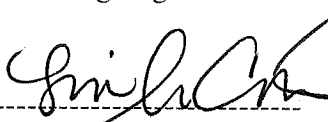
- For service to all other parties: Sent electronically to all email addresses on the attached Proof of Service list; and by depositing in the United States mail at San Francisco, California with first-class postage thereon fully prepaid and addressed as provided on the attached Proof of Service list to those addresses **NOT** marked as "email preferred;"

AND

- For filing with the Docket Unit at the Energy Commission: Sent an electronic copy to the email address below:

DOCKET@energy.state.ca.us

I declare under penalty of perjury that the foregoing is true and correct.



Lisa A. Cottle



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
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**APPLICATION FOR CERTIFICATION
FOR THE SAN GABRIEL
GENERATING STATION**

Docket No. 07-AFC-2

**PROOF OF SERVICE
(Revised 7/18/2011)**

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