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**COMPLETED**

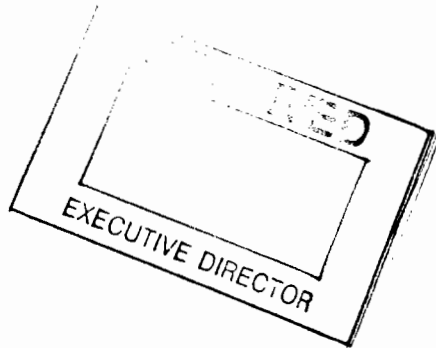
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**LATHAM & WATKINS** LLP

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April 5, 2007



Mr. John Kessler  
Project Manager  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

File No. 039610-0001

<b>DOCKET</b>	
<b>07-AFC-1</b>	
DATE	APR 05 2007
RECD.	APR 09 2007

Re: Confidential Submittal - Emission Offset Diligence for Victorville Power Project

Dear Mr. Kessler:

On behalf of Inland Energy, Inc. (developer) and the City of Victorville (applicant), we are providing the enclosed information regarding the confidential emission offset diligence for the Victorville Power Project ("VV2"). This information is being provided to the California Energy Commission in response to staff's request for additional information to demonstrate applicant's exercise of due diligence as required by SCAQMD Rule 1309.1(c)(3) as a condition of obtaining credits from the Priority Reserve.

The applicant requests that the enclosed information be designated confidential pursuant to California Government Code Section 6254(k). Government Code Section 6254(k) provides for the protection from disclosure of trade secrets. Under the controlling case of Uribe v. Howie (1971) 10 Cal App 3d 194, 207-208, 96 Cal Rptr 493, 500-501:

"A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it."  
(Emphasis Added)

The information submitted is a special compilation developed by the applicant and provides the applicant with an advantage over potential competitors who have not developed such a compilation of information, offset holders, and offset strategies (the material does not include air emissions data which is susceptible to public disclosure under Government Code Section 6254.7). In addition to the complete offset strategy, disclosure of potential sources of emissions offsets may hinder current negotiations.

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The applicant has not disclosed any of the subject information to anyone other than its employees, attorneys, and consultants working on the VV2. Moreover, this information has not been disclosed to persons employed by or working for the applicant except on a "need-to-know" basis. The applicant has marked this information "confidential" and has instituted a policy that it be segregated from other files and that access to it be restricted to a designated confidential information manager within the City or its attorneys/consultants.

Thank you for your attention to this matter. Please call me if you have any questions.

Very truly yours,



Michael J. Carroll  
of Latham & Watkins LLP

Enclosures