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California Legislature

JIM BATTIN

SENATOR

THIRTY-SEVENTH SENATE DISTRICT

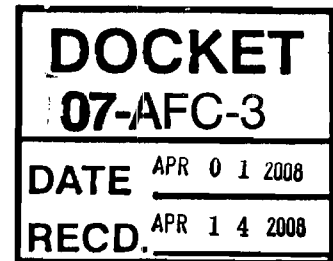


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April 1, 2008

Chair Jackalyne Pfannenstiel
Vice Chair James Boyd
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814



Dear Chair Pfannenstiel and Vice Chair Boyd:

I write to express my strong support for the CPV Sentinel Energy Project, and to urge expeditious review and approval of this project by the California Energy Commission. CPV Sentinel is a peaking power plant that will play a critical role in meeting the need for electricity in my district and the region. Time is of the essence.

CPV Sentinel is the only new power project Southern California Edison has signed a power purchase agreement with for summer 2010 delivery. SCE and the CPUC have both stated that the CPV Sentinel project is needed to preserve system reliability in the region. It is now critical that CEC review and approval of this project be accomplished on an expeditious basis. Adherence to the original September 1, 2008 completion schedule is critical and I am asking for your support in this regard.

Energy blackouts and brownouts can have a terrible impact on public safety - especially in the Coachella Valley where any significant loss of summer air conditioning will be fatal for some members of our elderly and infirm community.

CPV Sentinel, with its state-of-the-art "quick start" generating capability, will safeguard our local and regional electric power supply by providing cost-effective power on an as-needed basis. The plant will also provide millions of dollars in direct economic benefits to the County of Riverside, City of Desert Hot Springs, the Desert Water Agency and its customers, and benefit the region as a whole by generating \$5,000,000 in annual property taxes. In addition, the project will generate 350 on-site construction jobs and more than a dozen high quality permanent operations jobs— all especially welcomed in this time of state budget challenges and depreciating property values.

CPV Sentinel is a peaking-only facility, with expected lifetime operation at 15% of the year. Use of water for cooling is essential for efficient performance and to reduce emissions in the very high temperatures of the inland desert. The power plant's state-of-the-art efficient design uses very little water – about the same amount as a single nine hole golf course.

The project applicant has addressed recent feedback from the CEC staff regarding its water supply plan, and has modified the plan accordingly. The revised water plan which has been agreed to and is supported by the Desert Water Agency includes three primary elements:

- CPV Sentinel will make replenishment assessments to the Desert Water Agency for all water consumed. This important replenishment assessment has helped fund the importation of over 2 million acre-feet of water into the Coachella Valley since 1973.
- CPV Sentinel will import new water supplies to the region's aquifer. In cooperation with the local State Water Contractor, Desert Water Agency, CPV Sentinel has agreed to purchase additional water from the Central Valley, exchange this water for Colorado River Water and have new water delivered into the Mission Creek Sub-basin. This imported water supply will be equal to, or greater than, the quantity of water pumped for cooling and represents a significant additional private capital investment and public benefit.
- CPV Sentinel will work together with the Desert Water Agency to fund projects to conserve potable water in the west end of the Coachella Valley, again in amount at least equal to the amount of water which it uses.

The "two for one" combination of these mitigation measures will result in Sentinel actually contributing to a net improvement in the water supply in the Coachella Valley.

CPV Sentinel and its water supply plan have received strong support from the Coachella Valley and nearby Assembly Members Bonnie Garcia, Paul Cook and John Benoit. The Desert Water Agency, the Riverside County Board of Supervisors and many other stakeholders in the region, and was recently endorsed by our largest regional newspaper, The Desert Sun.

As you may know, CPV Sentinel is one of the few projects under CEC consideration that has a signed power purchase agreement. This power purchase agreement requires CPV Sentinel to meet a "fast track" schedule to be on line by August 2010. In order to meet that demanding schedule, it is imperative that the CEC and its staff work expeditiously to maintain as closely as possible the 12-month certification schedule the project was given when deemed data adequate on August 29, 2007.

I strongly urge that the CEC's review of CPV Sentinel remain on schedule and be expedited if possible.

The hard truth is that any significant delay in this schedule will jeopardize the project's ability to be on line for August 2010 – the month when summer electricity demand is highest.