

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



July 25, 2011

**DOCKET****11-AFC-1**DATE JUL 25 2011RECD. JUL 26 2011

Mr. Roger Bailey, Utilities Director  
City of San Diego  
9192 Topaz Way, MS 904A  
San Diego, CA 92123

Subject: **Otay Water District's Procurement of Reclaimed Water**

Dear Mr. Bailey,

On behalf of the California Energy Commission staff, I'd like to express our support for the Otay Water District's (OWD) effort to procure additional reclaimed water from the City of San Diego under your October 20, 2003 Agreement to supply reclaimed water from the South Bay Water Reclamation Plant.

As part of the Natural Resources Agency, the Energy Commission works diligently to uphold state water policies that require the use of reclaimed water in industrial applications, such as thermal power plants which are under our exclusive permitting authority. We are currently conducting an environmental review of the proposed Pio Pico Energy Center (PPEC) which is a 300-megawatt (MW) power plant that proposes to use reclaimed water supplied through existing infrastructure owned and operated by the OWD. Understanding whether or not there is a reliable supply of reclaimed water for PPEC's operation is a significant consideration in our environmental review.

Additionally, the Energy Commission previously permitted the Otay Mesa Generating Station (OMGS) which is a 400MW, natural gas-fired power plant adjacent to the PPEC site. The OMGS was approved to use potable water under a Condition of Certification that requires the water supply to be switched to reclaimed water when reclaimed water becomes available. As such, we again support any efforts by the City of San Diego to supply more reclaimed water to the OWD under your October 20, 2003 agreement.

Please feel free to call me at 916-654-3933 with any questions. Thank you.

Sincerely,

TERRENCE O'BRIEN, Deputy Director  
Siting, Transmission, and  
Environmental Protection Division

cc: Mayor Jerry Sanders  
Councilmember David Alvarez, Council District 8  
Mr. Mark Walton, General Manager, Otay Water District