

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

Application for Certification for the
Mirant Marsh Landing Generating Station
Project

Docket No. 08-AFC-3

DOCKET
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DATE DEC 15 2008

RECD. DEC 15 2008

**RESPONSE OF MIRANT MARSH LANDING, LLC
TO STAFF'S ISSUES IDENTIFICATION REPORT**

December 15, 2008

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In accordance with the Notice of Informational Hearing and Public Site Visit dated November 12, 2008, Mirant Marsh Landing, LLC ("Mirant Marsh Landing") submits this response to the Issues Identification Report ("Report") prepared by staff of the California Energy Commission ("Commission"). Mirant Marsh Landing has applied for certification for the Marsh Landing Generating Station ("MLGS"), a 930 megawatt, natural gas-fired electricity generating facility to be located at a site within the existing site of the Contra Costa Power Plant. The project site is in the process of being annexed by the City of Antioch, California. The Report provides a brief description of the MLGS, a discussion of potentially significant issues that staff has identified to date, and staff's proposed 12-month schedule for key events in this proceeding.

Mirant Marsh Landing appreciates staff's work and diligence in reviewing the MLGS Application for Certification ("AFC") and preparing the Report and data requests issued on November 13 and 14, 2008 ("Data Requests"). Below Mirant Marsh Landing provides brief comments on staff's summary of potentially significant issues, which were identified in the areas of Transmission System Engineering and Waste Management. Mirant Marsh Landing has addressed these issues in greater detail in responses to the Data Requests that are being submitted today, and is prepared to discuss them at the workshop on December 18, 2008. Mirant Marsh Landing is confident that all of the issues identified by staff can be resolved through the data request, data response and workshop process, and that certification of the MLGS can proceed according to the schedule outlined in the Report.

Transmission System Engineering

The Report notes that the System Impact Study prepared for the MLGS identified transmission line overloads that could require reconductoring as mitigation. Staff recognizes that there may be other acceptable mitigation for the identified overloads, but states that if reconductoring is required, then Mirant Marsh Landing will need to provide a general environmental analysis sufficient to meet California Environmental Quality Act requirements for indirect project impacts associated with reconductoring.

In its responses to the Data Requests, Mirant Marsh Landing has explained that re-rating of the lines is the preferred mitigation option rather than reconductoring. Mirant Marsh Landing is unable to confirm the feasibility of re-rating until the California Independent System Operator (“CAISO”) and Pacific Gas and Electric Company (“PG&E”) resume processing the MLGS application for a Large Generator Interconnection Agreement (“LGIA”). MLGS is included in the CAISO’s transition cluster study group, which resumes the CAISO’s LGIA process following the suspension that occurred earlier this year. Mirant Marsh Landing will continue to keep staff updated as the LGIA process resumes and will provide information regarding the selected mitigation option as it becomes available from the CAISO and PG&E. In addition, although reconductoring is not the preferred option, Mirant Marsh Landing has provided staff with a general environmental analysis based on typical reconductoring activities so that staff can analyze indirect project impacts in the event that reconductoring is the only feasible mitigation.

Waste Management

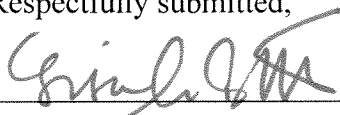
The Report notes that the MLGS will be constructed in locations currently occupied by five fuel oil tanks. Areas beneath and around these tanks have been identified as Recognized Environmental Conditions (“RECs”). Staff notes that testing and assessment of the soil and groundwater beneath and around the tanks will be necessary after tank demolition, and expresses concern that assessment, testing and possible remediation may impact and delay project construction. Staff has similar concerns about three areas to the east of the tanks.

In its December 2, 2008 notice to staff and the Committee, Mirant Marsh Landing explained that it needs additional time to propose a work plan for investigation of soils and groundwater near the tanks and in other areas of the site. Mirant Marsh Landing expects to work with staff to develop plans that address staff’s concerns in this area and does not expect this to be a significant issue.

Mirant Marsh Landing looks forward to working with staff and the Committee to proceed to a final decision in the time frame outlined in the Report.

December 15, 2008

Respectfully submitted,



Lisa A. Cottle
Winston & Strawn LLP

Attorneys for Mirant Marsh Landing, LLC

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PROOF OF SERVICE

I, Lisa A. Cottle, declare that on December 15, 2008, I served the attached *Response of Mirant Marsh Landing, LLC to Staff's Issues Identification Report* via electronic mail and first class mail postage prepaid to all parties on the attached service list.

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



Lisa A. Cottle

Service List (Docket No. 08-AFC-3)

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