



August 27, 2008

Felicia Miller, Project Manager
Energy Facilities Siting Division
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET 08-AFC-4
DATE AUG 27 2008
RECD. SEP 05 2008

RE: ORANGE GROVE PROJECT (08-AFC-4)

Dear Ms. Miller:

This letter is in response to a request by the applicants for the Orange Grove Project (08-AFC-4), who have asked that the Rainbow Municipal Water District (RMWD) submit a response to your August 5, 2008 data request as it relates to the water purchase agreements entered into between Orange Grove Energy and the Fallbrook Public Utility District (FPUD) (data request number 60).

The RMWD has provided the applicants with a water availability letter and is willing to provide water to the project provided they comply with our rules and regulations. Staff from the proposed project has been working with RMWD for approximately one year to try and secure a permanent water supply for the power plant; however, the plant is located in a remote area that is several miles from the closest RMWD water main.

Selecting an alignment and constructing a new pipeline will take considerable time given potential environmental and right-of-way issues that would need to be resolved, and would require delays in the project schedule. We considered alternative means to supply water to the project including trucking potable water to the plant site instead of installing a water main; however, RMWD regulations prohibit the use of water on a parcel other than where the water is purchased. Due to these regulations hauling water purchased from RMWD would only be considered if we received assurance that a permanent connection to RMWD's water supply was Orange Grove's ultimate goal.

The Orange Grove project staff has assured RMWD that they still desire a permanent water connection to its facilities. Accordingly, we hold a neutral position to the water purchase agreements between FPUD and Orange Grove Energy, but only if they are considered an interim arrangement. If trucking water to the power plant is considered a permanent means of operating we are opposed to the plan as we feel it is contrary to the rules and regulations of RMWD and usurps the rights of the residents of our District—the same residents who will live near the proposed plant—to have a voice in the decision-making process.

RMWD suggests if the California Energy Commission gives consideration to the proposal to truck water to the site it only do so with the stipulation that the trucking operation only be allowed for a short-term period—preferably three years or less—in order to allow Orange Grove Energy adequate time to design and construct a water line to the project.

If you have any questions please feel free to contact me at (760) 728-1178.

Sincerely,

Rainbow Municipal Water District

A handwritten signature in black ink that reads "Dave Seymour". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Dave Seymour
General Manager