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May 14, 2010

Commissioner Jeffrey D. Byron
Commissioner Anthony Eggert
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

DOCKET	
08-AFC-5	
DATE	<u>MAY 14 2010</u>
RECD.	<u>MAY 17 2010</u>

RE: Imperial Valley Solar, LLC Project (Docket 08-AFC-5)

Dear Commissioners Byron and Eggert:

I am writing in support of the Imperial Valley Solar, LLC project (IVS) currently under review by the California Energy Commission (Commission) and the Bureau of Land Management (BLM). This very important project was initially selected by SDG&E in response to our 2004 Request for Offers for Eligible Renewable Resources and a Purchase Power Agreement (PPA) was executed in 2005. A contract amendment was executed in March and filed for approval at the CPUC to reflect the project's revised schedule and current market conditions.

Approval by the Commission and BLM is critical to SDG&E's efforts to achieve its RPS objectives, including the goal of achieving an RPS portfolio of 33% by 2020. The IVS project represents one of the largest components of SDG&E's renewable portfolio to date. The project complies with California's RPS program requirements and meets the portfolio needs outlined by SDG&E's 2009 RPS Plan. The IVS project will generate clean, renewable energy with zero fuel costs (and therefore contributing zero incremental need for foreign fuel imports) and zero greenhouse gas emissions directly associated with energy production into the atmosphere.

Our PPA for this project also demonstrates our strong commitment to renewable energy development in the Imperial Valley. Tessera Solar, the developer of the project, anticipates that IVS will create over 700 local jobs during the construction of the facility and approximately 160 long-term jobs to operate and maintain the facility. Tessera Solar has brought in an experienced senior management team and enthusiastic investors to help bring this project to fruition, and the project has significant local support. As a company fully engaged in bringing reliable, renewable energy to San Diego, we firmly believe the Tessera Solar team will bring this project online quickly and begin providing clean renewable solar power to our customers next year.

Commissioners Byron and Eggert

May 14, 2010

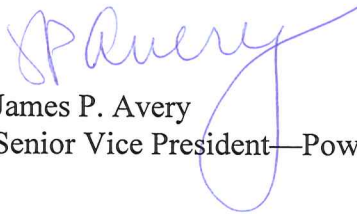
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Your approval of the IVS project consistent with the existing schedule is crucial to the economics of the project, because IVS has applied for American Recovery and Reinvestment Act (ARRA) Renewable Energy Grants from the U. S. Treasury. These grants are an integral component in the cost structure of the project and require that they break ground before the end of 2010. Timely completion of the permitting process by the Commission and BLM is needed to allow qualification of this project to receive these very important economic stimulus grants.

In view of local economic benefits, overall environmental benefits, and the critical role that IVS will play in meeting SDG&E's renewable energy goals, I urge your timely approval of the project following the upcoming evidentiary hearings.

Thank you for your efforts and those of your staff to keep this important renewable project on track.

Sincerely yours,



James P. Avery
Senior Vice President—Power Supply

JPA/rn

cc: Melissa Jones
Terry O'Brien
Christopher Meyer