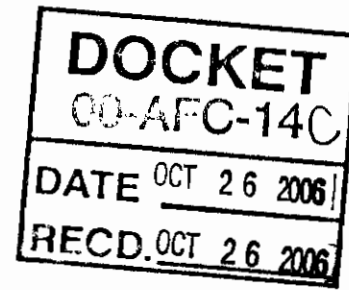


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



October 26, 2006

Mr. Marc Kodis
NRG Energy, Inc./El Segundo Power II, LLC
1819 Aspen Avenue, Suite 105
Carlsbad, CA 92008

**Subject: El Segundo Power Redevelopment Project (00-AFC-14C)
Approval to Start Abatement Activities for Asbestos Containing
Materials (ACM) and Regulated Building Materials (RBM) Containing
Lead-Based Paint**

Dear Mr. Kodis:

El Segundo Power II, LLC (ESP II) filed an Application for Certification (AFC) with the California Energy Commission on December 21, 2000, and the Energy Commission issued a Decision approving demolition of Units 1 and 2 and the construction and operation of the El Segundo Power Redevelopment Project on February 2, 2005.

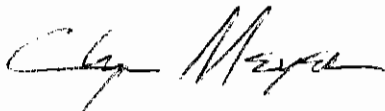
The Energy Commission staff has reviewed and approved the Hazardous Waste Survey, the Project Demolition and Construction Safety and Health Program and the Noise Control Program submitted by ESP II, and the El Segundo Power Redevelopment Project is in compliance with all conditions of certification that are required to be satisfied prior to the start of the abatement activities as proposed in your August 18, 2006 letter. Commencement of the abatement activities can start immediately, but no work associated site mobilization, demolition or construction may occur without prior written approval from the Energy Commission Compliance Project Manager.

The Energy Commission staff considers project related demolition to be the disassembly and/or removal of any equipment or structure and their associated support piping or venting in the project area. This includes not only the items in the immediate project area, but those items outside the immediate project area that will be removed to support project demolition or construction activities for the Redevelopment Project. Further, no ground disturbing activities are approved at this time. El Segundo may submit requests for specific ground disturbing activities in non-native fill prior to the submittal of the plans and information required in the conditions of certification. Any such requests will be reviewed and approval by the Energy Commission staff on a case by case basis. The Cultural Resource Specialist (CRS) will need to be approved by the Energy Commission staff prior to any approval of early ground disturbing activities. The site shall be accessible by Energy Commission staff to review the progress of the abatement activities and to review the condition of the facility prior to the issuance of approval to start demolition activities.

Mr. Marc Kodis
October 26, 2006
Page 2

If you have any questions or comments, please contact me either by telephone at (916) 653-1639, or by e-mail at cmeyer@energy.state.ca.us.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Chris Meyer', written in black ink.

Christopher Meyer, Compliance Project Manager
Energy Facilities Siting Division

cc: Jesus Arredondo, El Segundo Power II, LLC
John McKenzie, Counsel to El Segundo Power II, LLC
George Pianka, Essentia Management Services LLC