

770 L Street, Suite 800  
Sacramento, California 95814  
main 916.447.0700  
fax 916.447.4781  
www.stoel.com

September 30, 2005

JOHN A. MCKINSEY  
Direct (916) 319-4746  
jamckinsey@stoel.com

**BY HAND DELIVERY**

Marc S. Pryor  
Compliance Project Manager  
California Energy Commission  
1516 9th Street, MS 15  
Sacramento, CA 95814

**Re: Petition to Amend Condition of Certification, BIO-1  
El Segundo Power Redevelopment Project, 00 AFC-14**

Dear Mr. Pryor:

Pursuant to Title 20, California Code of Regulations, Section 1769, please find enclosed the Petition to Amend Condition of Certification BIO-1, set forth in the El Segundo Power Redevelopment ("ESPR") Final Decision (00-AFC-14). The Petition seeks to amend Condition of Certification BIO-1 and the corresponding payment schedule. More important, the Petition is submitted out of necessity as the only option available to El Segundo Power II LLC ("ESP II") in its effort to maintain the viability of this project. ESPR's desperately needed 630 megawatts of power is vital to the support of the critically constrained Los Angeles region.

Throughout the AFC proceeding, ESP II offered a number of enhancements, many of which were approved in the Final Decision. Some of the substantial benefits that will be realized if the ESPR project is constructed include:

- Extremely efficient gas-fired combined cycle capacity in the heart of the critically constrained Los Angeles electrical load center;
- Ultra-low criteria pollutant emitting power generation utilizing Best Available Control Technology;
- A "repowering" project that re-utilizes existing infrastructure and equipment and conforms to the various state policies that support repowering or redevelopment projects, including:

Oregon  
Washington  
California  
Utah  
Idaho



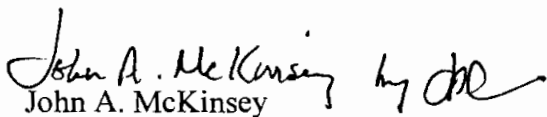
Marc S. Pryor  
September 30, 2005  
Page 2

- meeting the criteria for Assembly Bill 1576, which allows load serving entities to recover the costs of long term procurement of repowering projects (AB1576 was signed into law by the Governor on September 29, 2005);
  - consistency with the California Public Utility Commission's December 16, 2004, Long Term Procurement Order (D04-12-048), which states that repowering projects should be among the first choice for procurement of new supply;
  - consistent with the Energy Commission's own findings in its 2004 IEPR and draft 2005 IEPR regarding support for repowering California's aging fleet of power generating resources.
- Conformity to the greenhouse gas emission performance standards included in the draft 2005 IEPR through ESPR's use of combined cycle natural gas fired equipment. This project further meets the recommendations of Chairman Desmond in his September 22, 2005 memorandum regarding recommendations for greenhouse gas emission standards.

As is further explained in the Petition, amending BIO-1 to connect scheduled payments into trust (an amount reaching \$5,000,000 for the study of the ecological health of the Santa Monica Bay) to start of construction will prevent this important Southern California repowering project from being terminated. Further, the changes to BIO-1 not only support its underlying enhancement goals, but also are well founded in the origin of BIO-1 and its intent.

The possibility of losing both critically needed electricity and a \$5,000,000 trust to develop and implement actions to improve the health of Santa Monica Bay is not in the best interests of the citizens of this State. To that end, ESP II looks forward to explaining and discussing this change in a process leading to the Petition's approval. If you have any questions regarding this submittal, please do hesitate to contact me.

Very truly yours,

  
John A. McKinsey

JAM/mws

# Document Information

Docket Number: 00-AFC-140

Dated: Sept 30, 2005

Rec'd: Sept 30, 2005

## OVERSIZED FILE

due to the complexity of document:  
only the cover letter may be viewed  
on pdf.

MAP(S) # \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PICTURE(S) # \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

For more information contact:

California Energy Commission  
Docket Unit  
1516 9<sup>th</sup> Street, MS-4  
Sacramento, CA 965814-5512  
Telephone (916) 654-5076  
docket@energy.state.ca.us