

Aug 21, 2008

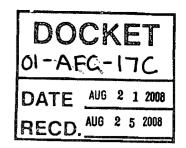
Ref. No. GE/IEEC -0206

Dale Rundquist Compliance Project Manager Docket Number 01-AFC-017 California Energy Commission 1516 Ninth Street (MS-2000) Sacramento, CA 95814 GE Energy

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RE: Update on Operations at Inland Empire Energy Center

Dear Mr. Rundquist,

The purpose of this letter is to provide you with an update on operations at the Inland Empire Energy Center.

Earlier this week, we were in the process of completing final performance tests on unit 1 with more than 445 hours of operation and unit 2 after 145 hours of operation. During commissioning of Unit #2 at baseload operation, the unit unexpectedly tripped off line. The cause of the trip is under evaluation and the unit is currently in the process of being inspected. As a result of the trip, continued operation of unit #2 will be delayed and unit #1 has been shutdown until the cause of the trip is understood and any potential repairs are made.

Over the past three days we have deployed our most experienced engineers to troubleshoot the situation. Our teams are working around the clock to identify the root cause of the trip and the course of action required to get the units back on line as soon as possible.

As additional information becomes available we will reengage you to keep you informed of the latest developments.

If you have any questions or need any additional information, please do not hesitate to contact me at (951) 928-5905.

Sincerely,

John Gates Commercial Manage