

CALIFORNIA ENERGY COMMISSION

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July 11, 2008

Barbara McBride
Director Environmental Health and Safety
Calpine Corporation
3875 Hopyard Road, Suite 345
Post Office Box 11749
Pleasanton, CA 94588

DOCKET 01-AFC-22C
DATE JUL 11 2008
RECD. JUL 15 2008

**RE: CALPINE INTENTIONS FOR THE SAN JOAQUIN VALLEY ENERGY CENTER
(01-AFC-22)**

Dear Ms. McBride:

The California Energy Commission is contacting the owners of certified power plant projects that have not begun construction within the required five years and therefore face expiration of the licenses.

As you know, the San Joaquin Valley Energy Center (SJVEC) was licensed on January 14, 2004. Calpine filed an amendment petition regarding the project's PM₁₀ emission reduction credits on January 25, 2008. Staff has been working on a variety of more active project priorities during the ensuing time.

The five-year deadline within which construction of the facility is required to begin is January 14, 2009. That is why Chris Davis of my staff called and left a voice-mail message for you on April 23, 2008, inquiring whether Calpine intends to petition the Energy Commission for an amendment to extend the start of construction date for the SJVEC.

On June 9, 2008, you called about installing a permanent outfall at the Los Esteros generation facility. During that call, Chris asked again about Calpine's intentions for the SJVEC. You told Chris that you were "probably going to let that one go" and that Energy Commission staff could suspend work on the SJVEC amendment petition.

Please respond to this letter in writing. However, if you choose not to respond or to request a start of construction deadline extension, expect the license to expire for the SJVEC on January 14, 2009. Unless notified otherwise, Energy Commission staff will take no further action on the SJVEC amendment petition filed on January 25, 2008.

Sincerely,

A handwritten signature in black ink that reads "Eileen Allen".

Eileen Allen, Manager

Date: 7/11/08

Siting and Compliance Office
Energy Facilities Siting Division