

Tel: (213) 473-0080

Fax: (213) 620-1170 March 19, 2009

Mr. Jack W. Caswell Compliance Program Manager California Energy Commission 1516 9th Street, MS 2000 Sacramento, CA 95814-5512

Re: California Energy Commission Compliance Status for

Indigo Energy Facility (Docket No. 01-EP-2) and Larkspur Energy Facility (Docket No. 01-EP-1)

OI-EP- IC

DOCKET
OI- EP-2C

DATE MAR 1 9 2009

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Dear Mr. Caswell:

In response to inquires made by the California Energy Commission (CEC) on March 2, 2009, please find below Diamond Generating Corporation's (DGC's) response regarding the compliance status of the Indigo Energy Facility (Indigo) and Larkspur Energy Facility (Larkspur). Both facilities currently hold Title V Permits; Indigo under the jurisdiction of the South Coast Air Quality Management District (SCAQMD, Facility ID #127299), and Larkspur under the jurisdiction of the San Diego Air Pollution Control District (SDAPCD, Permit #978248). Per a conference call between the CEC, DGC, and DGC's consultant (ENVIRON International Corporation) on March 2, 2009, the CEC has requested the number of yearly startups and shutdowns for each turbine at Indigo and Larkspur. Tables summarizing this information are presented below. As shown, the turbines presently undergo less than 365 startup/shutdowns per year as referenced in the CEC License Application, Attachment B; however, the facilities have the ability and may be required by California System Operator (Caiso) by its tariff to startup and shutdown more than 365 times per year depending on electricity demand. Neither SCAQMD nor SDAPCD permit restricts the number of startup and shutdowns the turbines can have.

Larkspur

| TURBINE UNIT 100 | |
|-------------------------|-------------------|
| Year | Startup/Shutdowns |
| 2005 | 169 |
| 2006 | 153 |
| 2007 | 173 |
| 2008 | 236 |

| TURBINE UNIT 200 | |
|------------------|-------------------|
| Year | Startup/Shutdowns |
| 2005 | 148 |
| 2006 | 154 |
| 2007 | 173 |
| 2008 | 238 |

Indigo

| TURBINE UNIT 300 | |
|-------------------------|-------------------|
| Year | Startup/Shutdowns |
| 2005 | 195 |
| 2006 | 197 |
| 2007 | 211 |
| 2008 | 262 |

| TURBINE UNIT 400 | |
|------------------|-------------------|
| Year | Startup/Shutdowns |
| 2005 | 193 |
| 2006 | 172 |
| 2007 | 209 |
| 2008 | 248 |

| TURBINE UNIT 500 | |
|------------------|-------------------|
| Year | Startup/Shutdowns |
| 2005 | 181 |
| 2006 | 185 |
| 2007 | 191 |
| 2008 | 256 |

Indigo and Larkspur are presently in compliance with all the terms and conditions of their respective Title V permits. As required, periodic reports indicating any deviations have been submitted in a timely manner to the local air districts as well as the United States Environmental Protection Agency (USEPA) when applicable.

Please call the undersigned at (213) 473-0084 or our consultant, Rachel Velthuisen of ENVIRON International Corporation at (919) 435-7801 if you have questions or comments regarding this letter.

Very truly yours,

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Vice President, Operations & Maintenance

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Enclosure

cc: Rachel Velthuisen, ENVIRON International Corporation Wayne Forsyth, Diamond Generating Jason King, Wildflower Energy