1700 K Street, N.W. Washington, D.C. 20006-3817 T: +1 (202) 282-5000 F: +1 (202) 282-5100 www.winston.com

JOHN A. WHITTAKER, IV
Partner
(202) 282-5766
jwhittak@winston.com

October 1, 2010

# VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426

DOCKET		BEIJING
09-AFC-3		CHARLOTTE
DATE	OCT 01 2010	CHICAGO
RECD.	JAN 21 2011	GENEVA

HONG KONG

LONDON

MOSCOW

NEW YORK

NEWARK

PARIS

LOS ANGELES

# Re: BPUS Generation Development LLC; Application for Preliminary Permit for the Mulqueeney Ranch Pumped Storage Project

Dear Secretary Bose:

Enclosed for filing is BPUS Generation Development LLC's Application for Preliminary Permit for the Mulqueeney Ranch Pumped Storage Project.

Sincerely,

had. Whittahr IK

John A. Whittaker, IV Attorney For BPUS Generation Development LLC

SAN FRANCISCO

SHANGHAI

WASHINGTON, D.C.

Enclosure

DC:654890.1



### Brookfield

brockfield Rensmolda Roman Inc. 200 Donwid Lynch Blvd, Spile SOG Marlborough, MA (01752-4707 101 - 309) 051-7680 Fax (468) 855-6267 Novy bronalistinovar.com

September 30, 2010

Hon. Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, NE Washington, DC 20426

Subject: Application for Preliminary Permit The Mulqueeney Ranch Pumped Storage Project (Currently P-12807)

Dear Secretary Bose:

Attached please find an original and eight copies of a completed application for a preliminary permit, pursuant to the Commission's hydropower regulations, 18 C.F.R Subparts D and I. The potential Mulqueeney Ranch Pumped Storage Project described in this application will be located on private land near the City of Tracy, California. BPUS Generation Development LLC, a wholly owned subsidiary of Brookfield Renewable Power Inc. (Brookfield) ("Applicant"), has an existing exclusive development agreement with the landowner in connection with this potential project, and is currently developing the project, including licensing and engineering features.

On October 12, 2007, the Commission issued a preliminary permit to Brookfield to study the feasibility of the proposed Project. The attached application is for a successive preliminary permit. Given the significant body of work completed to date, good cause exists for the Commission to issue Brookfield a successive preliminary permit. Brookfield respectfully contends that it would be in the public interest to do so in order to ensure that the development of the clean, domestic renewable energy project initiated under the initial preliminary permit may be completed.

The Applicant is submitting this preliminary permit application in order to secure and maintain its existing priority in the licensing process, while continuing the activities to determine project feasibility. We look forward working with the Commission as we continue to develop this project. If you have any questions regarding this submittal, please contact the undersigned at (508) 251-7714.

Yours very truly

Michael Cutter, Vice President Engineering and Development Brookfield Renewable Power 200 Donald Lynch Blvd, Suite 300 Marlborough, MA 01752

attachments

### UNITED STATES OF AMERICA

# BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

## **APPLICATION FOR PRELIMINARY PERMIT**

for the

# Mulqueeney Ranch Pumped Storage Project

# FERC Project No. 12807 (Current)

BPUS Generation Development LLC Brookfield Renewable Power Inc. 200 Donald Lynch Blvd, Suite 300 Marlborough, MA 01752

(508) 251-7714

October 1, 2010

September 30, 2010

### VERIFICATION STATEMENT

This application for preliminary permit is executed in

State of:MassachusettsCounty of:Middlesex

By:

Michael Cutter, Vice President Engineering and Development Brookfield Renewable Power Inc. 200 Donald Lynch Blvd, Suite 300 Marlborough, MA 01752 Telephone: (508) 251-7714

Being duly sworn, deposes and says that the contents of this preliminary permit application are true to the best of his knowledge or belief. The undersigned Applicant has signed the application on this 30th day of September 2010.

Applicant By:

Subscribed and sworn to before me, a Notary Public of the State of Massachusetts this 30th day of September 2010.

Notary:

- Vamela & insalité



FAMELA J. CONSOLETTI NOTARY PUBLIC COMMONWEALTH OF MASSACHUSETTS MY COMMISSION EXPIRES DECEMBER 27, 2013

Application for Preliminary Permit Mulqueeney Ranch Pumped Storage Project

## TABLE OF CONTENTS

Initial Statement
Section 4.32(a) Information
Exhibit 1 — Description of the Proposed Project
Exhibit 2A — Description of the Proposed Studies
Exhibit 2B — Statement of Costs and Financing
Exhibit 3 — Maps
Attachment - Mulqueeney Family LLC letter supporting Brookfield's pumped storage project development 23

# **Initial Statement**

BPUS Generation Development LLC (Brookfield), a Delaware limited liability company 1. ("Applicant") and a wholly-owned subsidiary of Brookfield Renewable Power, applies to the Federal Energy Regulatory Commission ("FERC" or "Commission") for a preliminary permit for the proposed Mulqueeney Ranch Pumped Storage Project ("project"), as described in the attached exhibits. This application is made in order that the Applicant may secure and maintain priority of application for a license for the project under Part I of the Federal Power Act while obtaining the data and performing the acts required to determine the feasibility of the project and to support an application for a license. Over the past three years while Brookfield has been performing site reconnaissance, preliminary engineering, equipment costs and performance specifications, revenue forecasting, securing water supply sources, generation off-takers and power supply sources, we have been continuing negotiations with the landowners for continued exclusive land development rights beyond 2012 (expiration of current land use agreement). Brookfield continues to be extremely interested in developing the project, and requests that FERC granted a new permit for our continued development of the project. Over the past three years, we have invested approximately \$500,000 in internal and consultant project development costs, and would anticipate there would be another \$1.5 million dollars (approximate) spent to carry the project through the NOI and PAD process. Brookfield believes that we are in a unique position to continue to develop the project, because of our existing exclusivity agreement with the private landowners and based on the engineering work performed to date. Based on our anticipated development schedule, the NOI and PAD could be submitted to FERC by mid to late 2012.

### 2. The location of the proposed project is:

State or territory:	California
County:	Alameda
Township or nearby town:	Tracy, California
Stream or other body of water:	None; initial reservoir filling and make-up water will
	be furnished from off-site sources, which are
X	anticipated to be treated water from the City of Tracy
	water treatment plant.

## 3. The exact name, business address, and telephone number of the applicant are:

Brookfield Renewable Power Inc. 200 Donald Lynch Blvd, Suite 300

October 1, 2010

Marlborough, MA 01752 Telephone: (508) 251-7714

The exact name and business address of each person authorized to act as agent for the applicant in this application are:

Michael Cutter, Vice President Engineering and Development Brookfield Renewable Power Inc. 200 Donald Lynch Blvd, Suite 300 Telephone: (508) 251-7714

Mr. John A. Whittaker, IV Winston & Strawn, LLP 1700 K Street, N.W. Washington, D.C. 20006-3817 Telephone: 202-282-5766 Facsimile: 202-282-5100

- 4. BPUS Generation Development LLC is a Delaware limited liability company and a whollyowned subsidiary of Brookfield Power, and is not claiming preference under Section 7(a) of the Federal Power Act.
- 5. The proposed term of the requested permit is:

### 36 months

6. If there is any existing dam or other project facility, the applicant must provide the name and address of the owner of the dam and the facility. If the dam is Federally owned or operated, provide the name of the agency.

No existing dams or other project facilities are located within the proposed development area.

# Section 4.32(a) Information

 Identification of persons, citizens, associations of citizens, domestic corporations, municipalities, or state that has or intends to obtain and will maintain any proprietary right necessary to construct, operate, or maintain the project:

The project would be developed on private land owned by:

Mulqueeney Ranch Properties, Inc. P.O. Box 2053 Livermore, CA 94551

- 2. Identify:
  - i. Every county in which any part of the project, and any Federal facilities that would be used by the project, would be located

County: Alameda County, California Address: County of Alameda Board of Supervisors Administration Building 1221 Oak Street, #536 Oakland, CA 94612

- ii. Every city, town, or similar local political subdivision
  - A. In which any part of the project, and any Federal facilities that would be used by the project, would be located

Political Subdivision:	Alameda County, District 1
Address:	Alameda County Board of Supervisors
	District 1 Office
	4501 Pleasanton Avenue
	Pleasanton, CA 94566

B. That has a population of 5,000 or more people and is located within 15 miles of the project dam

City:Tracy<sup>1</sup>, located in San Joaquin County, California Address: Tracy City Council City Hall 325 East 10<sup>th</sup> Street Tracy, CA 95376

City:Livermore<sup>2</sup>, located in Alameda County, California Address: Livermore City Council City Hall 1052 S. Livermore Avenue Livermore, CA 94550

- iii. Every irrigation district, drainage district, or similar special purpose political subdivision:
  - A. In which any part of the project, and any Federal facilities that would be used by the project, would be located

District Name:	Alameda County Flood Control and
	Water Conservation District;
	Zone 7 Water Agency
Address:	100 North Canyons Parkway
	Livermore, CA 94551
District Name:	Alameda County Resource Conservation District
Address:	3585 Greenville Road, Suite 2
	Livermore, CA 94550
District Name:	Alameda County Water District
Address:	43885 South Grimmer Boulevard
	Fremont, CA 94538

B. That owns, operates, maintains, or uses any project facilities or any Federal facilities that would be used by the project.

<sup>&</sup>lt;sup>1</sup> 2006 population estimate for Tracy, CA, is 80,308. Source: US Census Bureau, State & County QuickFacts. <u>http://quickfacts.census.gov/qfd/states/06/0680238.html</u>. Accessed September 26, 2010.

<sup>&</sup>lt;sup>2</sup> 2006 population estimate for Livermore, CA, is 79,438. Source: US Census Bureau, State & County QuickFacts. <u>http://quickfacts.census.gov/qfd/states/06/0641992.html</u>. Accessed September 26, 2010.

None

iv. Every other political subdivision in the general area of the project that there is a reason to believe they would likely be interested in, or affected by, the application

Political Subdivision: Bay Area Air Quality Management DistrictAddress:District Office939 Ellis StreetSan Francisco, CA 94109

Political Subdivision:	South San Joaquin Irrigation District
Address:	P.O. Box 747
	Ripon, CA 95366

Political Subdivision:San Joaquin County Resource Conservation DistrictAddress:3422 W. Hammer Lane, Suite AStockton, CA 95219

Political Subdivision:San Joaquin Valley Unified Air Pollution<br/>Control DistrictAddress:Northern Region4800 Enterprise Way<br/>Modesto, CA 95356

### v. All Indian tribes that may be affected by the project

Amah Mutsun Band of Mission Indians 789 Canada Road Woodside, CA 94062

Costanoan Band of Carmel Mission Indians P.O. Box 1657 Monrovia, CA 91016

Costanoan / Mutsun Indians of California P.O. Box 28 Hollister, CA 95024

Costanoan, Ohlone, Mutsun-Rumsen Tribe 110 Dick Phelps Road Watsonville, CA 95065

Costanoan Rumsen Carmel Tribe 3025 E. Brookside Court Ontario, CA 91761

Costanoan Rumsen Carmel Tribe of Chino 3929 Riverside Drive Chino, CA 91710

Muwek Ohlone Tribe 226 Airport Parkway, Suite 630 San Jose, CA 95110-1029

Ohlone / Costanoan Esselen Nation P.O. Box 1301 Monterey, CA 93942

# Exhibit 1 — Description of the Proposed Project

### 1. General

As currently designed, this project concept envisions the construction of a pumped storage hydroelectric generating facility on the property known as the Mulqueeney Ranch, near the City of Tracy, California. The project would involve the construction of:

- an upper reservoir, consisting of two main dams and one potential saddle dam located near the southerly edge of the property, where the ground surface elevation is generally above 1,400 feet mean sea level (msl) and the anticipated maximum water surface elevation of approximately 1,640 feet msl;
- a lower reservoir located in the northern portion of the property at an elevation of approximately 940 feet msl, where the ground surface elevation is generally between 700 feet and 1,000 feet msl;
- a powerhouse containing the pump-turbines and motor-generators to be located along the waterway(s) alignment;
- waterway(s) connecting the upper reservoir, pump-turbines and the lower reservoir;
- facilities to deliver water from the Tracy Water Treatment Plant for initial filling and for continued maintenance during the life of the project; and
- an electrical interconnection with the PG&E Tesla Substation high-voltage regional transmission system, located at the northeastern portion of the property;
- additional environmental mitigation features may be incorporated into the final project design (i.e. reservoir overflow ponds for bird habitat).

Based on the preliminary engineering designs, the plant generating capacity and energy storage, is undergoing project optimization to best suit the physical site and electrical system conditions. At the present time, a 2-unit, 280-MW facility (2 units; 140 MW each unit), with reservoirs sized to provide 8 hours of continuous 280 MW output (2,240 MWh) are envisioned.

### 2. Reservoirs

The locations and configuration of the two reservoirs would be optimized as part of the studies envisioned during the term of the permit.

At the present time it is anticipated that the upper reservoir would be located near the southerly boundary of the ranch property (see **Exhibit 3-1** attached to this application). The anticipated maximum water level would be elevation 1,640 msl; the area at full supply level would be approximately 52 acres. The reservoir would be formed by the construction of embankment dams at each end of a topographic valley, with the potential need for a small saddle dam on the northern portion of the upper reservoir area.

It is currently anticipated that the lower reservoir would be located near the northern portion of the property, where the ground surface elevation is generally between 700 feet and 1,000 feet msl (see **Exhibit 3-1** attached to this application). The maximum water level would depend on the maximum lower reservoir elevation, likely between 900 feet and 1000 feet msl (currently assumed to be 940 feel msl). Depending on the lower reservoir size, the area at full supply level would be approximately 40 acres. The reservoir would be formed by the construction of a single embankment dam at each lower end of a topographic valley.

The original application studies indicated the project could utilize another, separate lower reservoir location in the northeastern portion of the property at an approximate maximum elevation 580 feet msl, and the area at full supply level is estimated at 75 acres. The reservoir would be formed by the construction of an "L" shaped embankment. During the engineering studies the lower reservoir located in the central portion of the property is currently preferred, but will be further optimized during future engineering studies.

Initial subsurface investigations have been conducted during the reservoir feasibility studies to assist with the project conceptual evaluation. Additional, detailed geotechnical and environmental studies will be required to finalize the project design considerations as the project moves into detailed design.

Both the upper and lower reservoirs would be sized to contain a minimum of 2,600 acrefeet of water storage, sufficient to support the desired 8 hours of continuous operation at 280 MWs.

### 3. Transmission Lines

The location, number of circuits, voltage, and configuration of the project's interconnection with the regional electric utility network would need to be established as part of the studies to be carried out during the term of the permit. However, it is anticipated that the project will interconnect at an existing PG&E substation located adjacent to the ranch property. If this substation is a feasible interconnection point, the project transmission line length will be less than 1.75 miles.

12

The interconnection voltage may be 230 or 500 kV, and the project transmission line may be 1 or 2 circuits. These project features and characteristics are dependent upon the results of planned studies.

### 4. Planned Installed Capacity and Average Annual Energy

The planned installed capacity is 280 MW, although this may change as studies proceed and the Applicant conducts transmission system studies and power market investigations. Assuming a 15 percent plant factor, which is typical for hydroelectric pumped storage, the average annual electricity production would be 368 GWh. Assuming a cycle efficiency of 78 percent, which is also typical for hydroelectric pumped storage, the pumping energy requirement is 472 GWh.

On a preliminary basis, assuming the lower reservoir maximum water surface of 905 feet msl, the maximum gross head may be 878 feet, and the minimum gross head may be 595 feet. Assuming a nominal head loss of about 2 percent of the gross head, the estimated average net head would be approximately 720 feet. The average net head will be dependent upon the results of studies planned during the term of the permit.

At the present time, the project concept envisions procurement of two new pump-turbine generator-motor sets, each with a nominal FERC rating of 140 MW.

# 5. Lands of the United States:

The project is to be located entirely on private land, and does occupy any public lands or reservations. The relationship of the project and its proposed boundary (defined only for the purposes of this application), with respect to the boundary of the involved private land, is indicated in **Exhibit 3-1**.

### 6. Additional Information:

The project had previously been presented to representatives from the California Environmental Protection Agency (CA EPA), the California Energy Commission (CEC), the US Department of Agriculture and the City of Tracy Wastewater Department, all of which have shown interest in development of the project. Brookfield has continued discussions with the City of Tracy regarding acquisition of project water. On February 17, 2009, the City of Tracy passed a resolution backing the project and agreeing to supply initial fill-up and annual augmentation of water to the project conditioned on future contract discussion with Brookfield.

Brookfield has performed an initial subsurface investigation in connection with the continued feasibility study of the potential pumped storage project at the site. No "fatal flaws" for the project were observed related to site geology or geotechnical issues.

In addition to the geotechnical investigations, preliminary biological resources surveys were conducted to investigate the potential for threatened or endangered species (TES) at the site. No issues related to biological resources have been identified at this point; however, more detailed surveys and studies will be conducted as part of the PAD process.

# Exhibit 2A — Description of the Proposed Studies

# 1. General

### a. Description of Studies:

The Applicant proposes to continue the detailed engineering and feasibility studies of the technical features of the project and confirm the project's economic viability. The feasibility study will be designed to evaluate various equipment arrangements to optimize project configuration. The feasibility study will include:

- finalize the concept formulation and evaluation of alternative configurations;
- finalization of project water supply plan;
- finalize the selection of a preferred project development plan;
- topographical surveying;
- additional geological/geotechnical investigations;
- finalize the environmental study scoping and consultation, environmental surveys, impact identification and assessment and the formulation of mitigation measures;
- finalize the engineering studies to optimize the project physical configuration;
- optimization of size and specific types of equipment;
- continue power marketing and developing preliminary power sales and power supply expectations;
- finalize the transmission interconnection planning;
- finalize the legal and water rights matters; and
- continue the project cost estimating, economic feasibility and financial planning investigations.

Based on the results and findings of the initial stages of the feasibility study, the Applicant will prepare a Notice of Intent and Pre-Application Document, pursuant to 18 CFR § 5.5 and § 5.6.

### b. Need for New Roads:

It is not anticipated that any new roads will be needed for the aforementioned studies. All areas within the proposed project boundary are accessible over existing terrain using 4-wheel drive vehicles.

### 2. Work Plan and Schedule for New Dam Construction

### a. Description of Field Studies:

The current project configuration was based on the initial geologic and environmental investigations, and would be refined based on additional field studies (geotechnical drilling, geophysical studies, topographic surveying, detailed environmental and cultural resources mapping, etc.).

### Topographic Surveying

Topographic surveying may involve traversing the project area on foot or in a light vehicle to conduct on-the-ground topographic surveying. This work is not expected to disturb or alter any lands or waters in the project area.

### Environmental Mapping/Surveying

Additional detailed environmental surveys may involve traversing the area on foot or in a light vehicle to collect samples, perform inventories and/or to perform observations necessary to conduct the environmental evaluations. This work is not expected to disturb or alter any lands or waters in the project area.

### Geologic Investigations

In July 2008, a limited geotechnical investigation was performed with the primarily goal designed to determine depth to bedrock information near critical structures, reservoirs and the powerhouse, where unknown geotechnical conditions could cause the largest uncertainties in the cost estimate. The investigation consisted of installing and sampling 4 subsurface borings between 40 feet and 100 feet below the ground surface. No fatal flaws were identified during the investigation.

The proposed geotechnical work for the new preliminary permit would be carried out in three principal geotechnical and engineering technical areas: (1) reconnaissance field mapping and existing data review to identify potential adverse geologic features at the site (landslides, faulting, etc.), (2) detailed geological investigations (geotechnical drilling, water pressure testing, laboratory analysis, and (3) geophysical surveying to evaluate depth and orientation of bedrock (seismic profiling).

Based on the July 2008 geotechnical drilling program, it appears that an underground powerhouse is a viable option that will be carried to the design phase.

The following geological and geotechnical investigations are proposed to be carried out:

 Installation of up to eight exploratory drill holes to investigate the depth and nature of bedrock across the site. The borehole depths would range from approximately 30 feet to 100 feet deep, depending on the location of each boring.

- Water pressure tests would be conducted in up to four boreholes to evaluate the permeability of the subsurface materials and to assist with the evaluation of the proposed project reservoirs for determining the need for lined reservoirs.
- Collection of discrete soil and/or bedrock samples at approximately 10 ft intervals;
- Laboratory testing of selected samples for RQD, cohesion, shear, etc. and documentation. Based on the site conditions observed by the onsite geologist, bedrock core samples may be collected for additional laboratory analysis.
- Based on the results of the geotechnical drilling, a data report including a preliminary subsurface map, laboratory reports, drilling logs, field notes and data interpretations will be prepared for the site.

Exploratory drilling would be designed to minimize any possible adverse environmental impacts. Best management practices (BMPs) will be observed to: 1) mitigate potential impacts resulting from the disposal of waste material(s); 2) minimize the generation of noise, noxious fumes and dust; and 3) restore altered and disturbed areas. Similarly, the exact locations of test pits, trenches and seismic profiling will be dependent upon the preferred arrangement. BMPs will also be adopted to mitigate impacts resulting from these activities. The Applicant will comply with applicable state and local guidelines and regulations, which will also minimize potential affects on the local environment.

## b. The overall schedule is as follows:

Schedu	lled term	
From beginning of month	To end of month	Work Item
0	6	Concept formulation and evaluation of alternative configurations
0	12	Finalize of project water supply plan
0	12	Selection of preferred alternative; and prepare project arrangement
0	8	Topographical surveying
4	12	Geological investigations
0	12	Environmental studies
0	12	Initial scoping and consultation
2	16	Surveys and studies
12	24	Additional stage consultation and documentation
4	16	Engineering studies to optimize project physical configuration
8	18	Determination of size and specific type of equipment
6	18	Power marketing; establishing preliminary power sales and power supply expectations
6	12	Transmission interconnection planning
0	24	Cost estimating, economic feasibility and financial planning investigations
0	24	Legal and water rights matters
6	24	Preparation, review and filing of FERC License Application

The actual work may deviate from this planned schedule, depending upon circumstances which may develop as the work proceeds.

### 3. Potential Impacts to Resources

As previously indicated, the proposed topographic surveying and environmental surveys are not anticipated to disturb any lands or waters in the project area. Therefore, these surveys will not impact existing cultural resources or threatened and endangered species.

The proposed geological investigations, however, may involve exploratory test pits, test trenches and seismic surveys. Additionally, exploratory drill holes will be required in the upper and lower reservoir area, and along the waterway alignment.

No special environmental constraints, in terms of unique species or visual impact, are anticipated or have been identified since the site has been previously disturbed in connection with present land use activities (i.e., ranching activities and the presence of wind generation units). The Applicant will try to conduct field activities in areas where they will not affect known cultural resources or threatened and endangered species. The Applicant will comply with existing state and local guidelines and regulations, and implement BMPs to restore any disturbed or altered areas.

# Exhibit 2B — Statement of Costs and Financing

1. The estimated costs of carrying out or preparing studies, investigations, tests, surveys, maps, plans or specifications identified in Exhibit 2A:

\$1.5 million

## 2. The expected sources of financing:

The Applicant has sufficient internal financial resources to fund the planned studies. The plan for project financing will be developed during the course of feasibility studies planned during the term of the preliminary permit.

### 3. Proposed market for the power:

The proposed market for the power is Pacific Gas & Electric (PG&E) or other load-serving entities in central California. The power purchaser and pumping power provider would be identified during the course of feasibility studies planned during the term of the preliminary permit.

# Exhibit 3 — Maps

Required map(s) are attached to this application as Exhibit 3-1, Project Location and Boundary

## Notes regarding project map(s):

- 1. No areas in or around the proposed project boundary are:
  - i. included or proposed for inclusion in the National Wild and Scenic Rivers System; or
  - ii. designated or recommended for designation as a wilderness area/wilderness study area.
- 2. The powerhouse will be located along the waterway alignment. However, since the specific powerhouse location has yet to be determined, and the selection of the location is dependent upon studies to be carried out during the term of the permit, this project feature is not specifically shown on the project map(s).
- 3. Since the proposed project is located on private lands, no public land surveys are included on the map(s) in this exhibit.



Exibit 3-1. Project Location and Proposed Boundary

Attachment - Mulqueeney Family LLC letter supporting Brookfield's pumped storage project development

.

#### **MULQUEENEY RANCH PROPERTIES, LLC**

### VIA ELECTRONIC MAIL

Brookfield Renewable Power Inc. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752

Attention: Ralf Rank, Chief Investment Officer

RE: Mulqueeney Ranch Pumped Storage Project

#### Dear Ralf

We understand Brookfield's FERC issued Preliminary Permit for the development of the Mulqueeney Pumped Storage Project (the "Project") will expire on October 1, 2010 and that Brookfield intends to apply to a subsequent Preliminary Permit. In support of your application to FERC, Mulqueeney Ranch Properties Inc. (MRP) would like to confirm our ongoing discussions with Brookfield and our intent to pursue an agreement with Brookfield for the development of the Project. We can further confirm that in accordance with our letter agreement with you dated October 15, 2007, Brookfield holds the exclusive right to access the property for the development of the Project and that until that right expires, no other applicant will be entitled to enter the premises. MRP fully supports Brookfield's continued interest in developing a pumped storage project on this site and this time, believes that the working relationship we have developed will provide the best opportunity to actually build the pumped storage facility.

Should you or anyone at FERC wish to contact me to discuss the foregoing, please feel free to contact me at (925) 586-1468.

Best regards, Peter McCabe