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**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA**

Application for Certification for the
Sun Valley Energy Project

Docket No. 05-AFC-3

**VALLE DEL SOL ENERGY, LLC
RESPONSE TO ENERGY COMMISSION STAFF'S
MOTION TO TERMINATE PROCEEDING**

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July 15, 2015

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In accordance with Section 1716.5 of the regulations of the California Energy Commission ("Commission"), Valle Del Sol Energy, LLC ("Valle Del Sol") hereby responds to Energy Commission Staff's motion to terminate this application for certification proceeding ("Motion"). The Motion was filed on June 30, 2015. On June 30, 2015, Valle Del Sol also filed its own request for an additional twelve month suspension of the proceeding. The suspension of this proceeding had previously been extended for a twelve month period concluding on June 30, 2015 per the Order Extending Suspension of Proceedings dated June 30, 2014 ("Suspension Order").

Valle Del Sol respectfully requests that the Commission deny the Motion and approve Valle Del Sol's request to extend the suspension by one last period of twelve months. If Valle Del Sol has not moved to resume the processing of this application for certification proceeding by June 30, 2016, Valle Del Sol will not oppose any future motion by Energy Commission Staff to terminate this proceeding as of July 1, 2016.

Valle Del Sol does not repeat here the bases for the additional twelve month suspension identified in its request made on June 30, 2015. However, those arguments apply equally in opposition to the Motion. Instead, Valle Del Sol notes that the California Public Utilities Commission ("CPUC") has recently made a policy determination to rely on preferred resources as a significant percentage of resources to meet local reliability needs in the Los Angeles Basin. In fact, Valle Del Sol's parent company, NRG Energy, Inc., fully supports the proliferation of

preferred resources, and other NRG subsidiaries will be actively pursuing the deployment of preferred resources in the Los Angeles Basin through contracts awarded to them by Southern California Edison. However, whether those preferred resources appear in sufficient quantities to meet the requirements of local reliability is still to be determined.

If there are insufficient preferred resources to meet local reliability requirements in the Los Angeles load pocket, then the CPUC will have to rapidly authorize procurement of new gas-fired generation to make up the difference to ensure reliability. A rapid procurement will necessitate that new generation in the Los Angeles load pocket is rapidly permitted. Valle Del Sol is located in the Los Angeles load pocket. By extending the suspension for an additional twelve months, the Commission will preserve the flexibility of Valle Del Sol to respond quickly to any emerging need for new gas-fired generation. A pending application for certification can be permitted more quickly than starting a new application for certification.

Valle Del Sol suggests that there is some possibility that any emerging need for new gas-fired generation will become more apparent during the course of the next twelve months. Extending the suspension for another twelve months will allow Valle Del Sol to quickly respond in the event an expedited procurement opportunity arises. If the conditions for such an expedited procurement opportunity have not presented themselves within the next twelve months, then Valle Del Sol would not oppose a renewed motion to terminate the proceeding.

July 15, 2015

Respectfully submitted,

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