



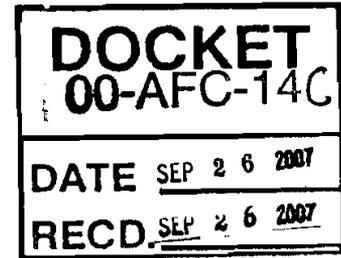
770 I Street, Suite 800  
Sacramento, California 95814  
main 916.447.0700  
fax 916.447.4781  
www.stoel.com

September 26, 2007

KIMBERLY HELLWIG  
Direct (916) 319-4742  
kjhellwig@stoel.com

**BY HAND DELIVERY**

Mr. Steve Munro  
Compliance Project Manager  
California Energy Commission  
1516 Ninth Street, MS-15  
Sacramento, CA 95814



**Re: El Segundo Power Redevelopment Project (00-AFC-14C)  
Rule 1309.1 Priority Reserve Requirements –  
Response to South Coast Air Quality Management District**

Dear Mr. Munro:

El Segundo Power II LLC submits the enclosed information submitted to the South Coast Air Quality Management District ("District") in response to the District's request for information related to compliance with the District's Rule 1309.1 (Priority Reserve). Should you have any questions regarding the submitted information, please contact Seth D. Hilton at (916) 447-0700.

Very truly,

A handwritten signature in cursive script that reads "Kimberly Hellwig".  
Kimberly Hellwig  
Paralegal

KJH:pgs

Enclosure

cc: Tim Hemig, El Segundo Power II LLC  
George Piantka, El Segundo Power II LLC  
Seth D. Hilton, Esq., Stoel Rives LLP



**El Segundo Power II LLC**  
1817 Aston Avenue, Suite 104  
Carlsbad, CA 92008

Direct Phone: 760.710.2144

**VIA EMAIL AND FIRST CLASS MAIL**

September 25, 2007

Mr. Ken Coats  
South Coast Air Quality Management District  
21865 E. Copley Drive  
Diamond Bar, CA 91765

**Re: El Segundo Power Redevelopment Project (Facility ID No. 115663)-  
Rule 1309.1 Priority Reserve – Renewable/Alternative Energy Evaluation**

Dear Mr. Coats:

El Segundo Power II LLC ("ESP") is pleased to submit the following response to the District's September 14, 2007 letter requesting information related to Rule 1309.1(c)(5)(B) and the viability of renewable/alternative energy for the El Segundo Power Redevelopment Project ("ESPR").

The objective of the ESPR Project is to provide approximately 540 megawatts ("MW") of highly efficient, reliable power generating capacity to meet the growing need for new electrical generating resources in the region to maintain electrical resource adequacy. A key design feature is that the new units can be started within 10-minutes to meet peak electrical demand periods and deliver power when less reliable renewable resources, like wind generation, are not available. The ESPR Project is proposed to be sited at the existing El Segundo Generating Station ("ESGS") on approximately 7 acres of land presently occupied by the former Units 1 and 2 of the ESGS, and proposes to reuse existing infrastructure, including the 230 kV electrical transmission switchyard, existing natural gas pipeline, and reclaimed water and sewer connections.

As established by the California Energy Commission ("CEC") during their 2005 Integrated Energy Policy Report, the renewable/alternative forms of energy described in 1309.1(c)(5)(B) require certain fundamental assumptions to be viable at a particular location. Pursuant to the below evaluation, none of these renewable/alternative forms of power production can viably meet the ESPR Project objectives at the ESGS facility location because at least one of the fundamental factors for success of each of these renewable/alternative options is not available.

- 1) **Hydropower** – Hydropower is not viable at the ESGS facility due to the lack of sufficient water resources that are needed for conventional hydropower applications and due to the lack of sufficient space for pumped storage power generation.
- 2) **Wind Power** – Wind generation is not viable at the ESGS facility for several reasons. First, the Project site does not have sufficient wind resources necessary to generate significant power from the site. Wind resource assessments by the CEC show most

sufficient wind resource areas to be inland and in mountain passes in California. Second, the site lacks sufficient space necessary for siting wind generation projects. The CEC estimates that approximately 40 acres are needed for each 1 MW of installed wind capacity, which would therefore require over 3000 times more space than the available 7 acres at the ESGS to provide a similar number of MWs as the ESPR Project (California Wind Resources Report, CEC, April 2005).

- 3) **Wave Power** – Wave power is not viable at the ESGS because ESP does not control the offshore property adjacent to the ESGS for this technology. Further, the adjacent offshore area is not a recognized wave power resource area. The CEC finds primary and secondary wave energy resource areas in California to be further off shore and generally north and west of the Channel Islands (California Small Hydropower and Ocean Wave Energy Resources Report, CEC, April 2005).
- 4) **Solar Power** – Solar power is not viable at the ESGS due to insufficient space necessary to achieve the Project objectives. The CEC information shows that solar power resource areas use approximately 3.3 acres per MW of installed solar power capacity. Therefore, over 1700 acres would be needed to provide a similar level of capacity as the ESPR Project; however, only 7 acres are available for development at the ESGS location. Further, the ESGS location is not recognized by the CEC as a good solar power resource area due to the coastal location and impact from the marine layer on solar radiation (California Solar Resources, CEC, April 2005).
- 5) **Geothermal** – Geothermal power is not viable at the ESGS because the area does not have sufficient geothermal brine temperatures necessary for generating power. CEC does not show any known geothermal energy resources in the area of the Project, with the closest being in the Salton Sea area (California Geothermal Resources, CEC, April 2005).
- 6) **Fuel Cell level emissions** – Fuel Cell power is typically a distributed generation technology used for delivering power to a specific location. ESPR Project objectives include delivering 540 MWs of power to the 230 kV transmission grid for regional power supply. Fuel Cell technology is not commercially available to meet that project objective.

If you have any questions or need any additional information, please do not hesitate to contact me at (760) 710-2144.

Sincerely,  
El Segundo Power II LLC



Tim Hemig  
Director, Environmental & New Business

cc: CEC Dockets (00-AFC-14C)  
Steve Munro, California Energy Commission