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| <b>DOCKET</b><br><b>04-AFC-1C</b> |             |
| <b>DATE</b>                       | OCT 16 2007 |
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October 16, 2007

B.B. Blevins, Executive Director  
California Energy Commission  
1516 Ninth Street, MS-39  
Sacramento, CA 95814-5512

**Re: Certification of the San Francisco Electric Reliability Project California Energy Commission Docket No. 04-AFC-1**

Dear Mr. Blevins:

On behalf of Intervener Dogpatch Neighborhood Association (DNA) and The Potrero Booster Neighborhood Association (PBNA) I write in regard to the San Francisco Electric Reliability Project ("SFERP"), a power plant to be constructed in our San Francisco neighborhood, for which the California Energy Commission ("CEC") issued a certificate to construct and operate on October 3, 2006.

We hereby request on behalf of the hundreds of residents and organizations, that the CEC deny the request to reconsider its certification of the SFERP power plant under CEQA. In particular, we wish to alert the CEC to substantial campaign, perhaps funded in part by Pacific Gas and Electric, that purports that changes and new information of substantial importance have now come light that prove the SFERP is no longer needed. The irony that a "smoke screen" is being used in an attempt to derail the SFERP is much appreciated by our neighborhood.

The CEC properly rejected the No Project alternative, which would have meant that the SFERP power plant could not be built, because it "is not superior to the proposed project because it would neither facilitate the possible closure of existing generation nor, more importantly, provide enhanced reliability for San Francisco's electrical supply." CEC Final Commission Decision, p. 25.

Recent reports generated by PG&E have attempted to suggest that the aging Potrero Power Plant can be closed, and San Francisco's electrical reliability bolstered, without the SFERP plant. Our objective is zero net power plant pollution in San Francisco, especially in our neighborhood. By examining this project, the CEC concluded that mitigation measure is included in the agreement does in fact result in a very substantial reduction of pollution.

The SFERP power plant, considered in the CEC's October 3, 2006 Final Commission Decision is anticipated to be up and running by 2009. Several electricity transmission and generation projects which were only concepts at the time of the CEC's analysis are becoming realities, ensuring greater reliability while reducing in potential use of the SFERP.

Specifically, the Trans Bay Cable ("TBC"), which will bring 400 megawatts of power to San Francisco, received its final discretionary approval from the Bay Conservation and Development Commission in August 2007 and completed its financing on September 24, 2007. It may be operational in the first quarter of 2010, however, even if the SFERP plant is completed prior to the TBC, the California Independent System Operator ("CAISO") indicated on February 15, 2007 that until the TBC is complete Federal Energy Commission regulations may not allow a removal the Reliability Must Run ("RMR") designation of the Potrero Plant.

Meanwhile, the SFERP will contribute far less pollution than the 3 current Potrero Plant Peaker units produce when called on for reliability. The new cleaner and more efficient SFERP Units will logically be dispatched in their place.

CAISO has indicated that some electricity generation capability is needed to replace the Potrero Plant before it can remove that plant's RMR designation. Loss of the RMR contract would, no doubt, persuade the Mirant Corporation to voluntarily shut down the Potrero Plant so that they could recapture some long-term capital improvements they have made to the aging plant in recent years. CAISO has stated that SFERP generation will address concerns for readily available generation during times of emergency.

The reliability of the SFERP, a natural gas-burning plant to be sited in an earthquake liquefaction zone, is far superior to the existing Mirant Plant due to technological and engineering advancement made to seismic understanding.

Fortunately there are new renewable electricity generation opportunities that have arisen and continue to arise. The California Public Utilities Commission in September 2007 published a Staff Progress Report that notes that the California Solar Initiative, the second largest solar incentive program in the world, has this year already received applications to produce nearly as much solar power as has been installed in the past 26 years combined.

Wind power has attracted new investments in 2007, including a 15 year agreement between Pacific Gas & Electric and PPM Energy for the purchase of wind energy and Wells Fargo's \$160 million investment in five wind projects in the past year. A May report from the Department of Energy predicted wind capacity growth of 25 to 30 percent in 2007.

Furthermore, PG&E and San Francisco Mayor Gavin Newsom on June 19, 2007 announced the most comprehensive study to date of the feasibility of installing turbines beneath the San Francisco Bay to generate energy from tidal power that could provide greenhouse gas-free electricity to as many as 40,000 homes in San Francisco.

The developments in the types of electricity generation available to San Francisco represent a sea change in terms of society's attitude toward our environmental future. There is no greater indicator of the growing consciousness of the environmental health of our communities than the April 2, 2007 decision of the U.S. Supreme Court in Massachusetts v. EPA, 549 U.S., 127 S. Ct. 1438, that greenhouse gas emissions pose such a serious threat that the Environmental Protection Agency must regulate greenhouse gases as pollutants under the Clean Air Act.

The SFPUC's September 25, 2007 announced that, after many years of the community pushing Pacific Gas & Electric to install demand-side management programs as a step toward curbing San Francisco's electricity usage, PG&E has agreed to finally start such a program in San Francisco. PG&E has also agreed to re-conductor existing transmission lines as part of normal maintenance of those aging lines. The resulting increase capacity will allow for more reliability.

We have described recent developments that suggest that our neighborhoods can be assured that the SFERP power plant will free our local environment of much of the pollution we now endure.

We are aware that the statutory thirty-day period within which to file a formal Petition for consideration has lapsed. CALifornians for Renewable Energy (CARE) filed such petition on November 1, 2006, but the CEC properly affirmed its final decision on December 19, 2006.

In its comments and pleadings before the CEC, and subsequent Petition for Review before the California Supreme Court, CARE consistently asserted issues related to the inadequacy of mitigation measures adopted by the CEC pursuant to the California Environmental Quality Act ("CEQA") for air quality impacts of the project. In every case, the CEC actions were upheld.

The CEC today retains the power to reconsider the SFERP power plant in the light shone by the developments and new information we have described, pursuant to Public Resources Code section 25530. The CEC may also reopen certification of the SFERP under CEQA, Title 14, California Code of Regulations Section 15162 as discussed below.

The CEC's Final Staff Assessment ("FSA") was conducted "in accordance with the requirements o the CEQA," and thus the CEC "acts in the role of the CEQA lead agency and is subject to all other applicable portions of CEQA." FSA, p. 2/3-4.

Under CEQA Section 15162 the CEC has the power to order a supplemental Environmental Impact Report ("EIR"), or Final Staff Assessment, when:

*"Substantial changes occur with respect to the circumstances under which the project is undertaken...due to the involvement of new significant environmental effects ...; or*

*"New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows...:*

(C) "Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project"  
(emphasis added)

DNA-PBNA believe we have outlined to the CEC **that NO changes or new information exists.**

There is absolutely nothing to warrant the CEC's reconsideration of the No Project alternative.

On behalf of the residents and businesses of Potrero Hill and the Central Waterfront (Dogpatch), as well as the San Francisco community at large, we ask that you promptly dismiss any attempt

by PG&E; PG&E supported organizations, or others to re-assess the Commission's certification of the SFERP, a power plant that is a necessary component to reducing pollution and promoting renewable resources.

Sincerely,

A handwritten signature in black ink that reads "Joe Boss". The signature is written in a cursive, slightly slanted style.

L. Joseph Boss  
Intervener  
DNA and PBNA

CC:

*California Energy Commission*

Jackalyne Pfannenstiel, Chair

James D. Boyd, Vice Chair

Arthur H. Rosenfeld, Commissioner

John L. Geesman, Commissioner

Jeffrey Byron, Commissioner

*San Francisco Public Utilities Commission*

Ryan L. Brooks, President

Ann Moller Caen, Vice President

E. Dennis Normandy, Commissioner

Richard Sklar, Commissioner

David Hochschild, Commissioner

Honorable Mayor Gavin Newsom,, City and County of San Francisco

Aaron Peskin, President, San Francisco Board of Supervisors

Dennis Herrera, City Attorney, City and County of San Francisco