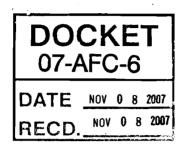
CALIFORNIA ENERGY COMMISSION 1516 NINTH STREET

1516 NINTH STREET SACRAMENTO, CA 95814-5512 www.energy.ca.gov



November 8, 2007

Honorable Claude A. Lewis Mayor, City of Carlsbad 1200 Carlsbad Village Drive Carlsbad, CA 92008



Dear Mayor Lewis:

On September 14, 2007, Carlsbad Energy Center, LLC, submitted an Application for Certification (AFC) for the Carlsbad Energy Center Project (CECP) to the California Energy Commission (Energy Commission) to develop a thermal power plant at the existing Encina Power Station in the city of Carlsbad, California.

The proposed project would be a 558-megawatt (MW), combined-cycle generating facility that would connect to the electrical transmission system via 138-kilovolt (kV) and 230-kV lines that connect to the nearby San Diego Gas and Electric switchyards at the Encina Power Station.

The CECP site is located in an area zoned Public Utility (PU) which specifically allows electrical generation and transmission facilities. The total land acreage of the existing Encina Power Station is approximately 95 acres, including a 65-acre parcel containing the existing generating equipment and a 30-acre parcel upon which the CECP would be constructed.

On October 31, 2007, the AFC for the CECP was deemed data adequate by the Energy Commission and our staff will now begin the discovery and analysis phases of our permitting process. Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the CECP project should be approved for construction and operation and under what set of conditions. These workshops and hearings will provide the public and local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting.

The Honorable Claude A. Lewis Page 2

We are available to brief you and your staff on the Energy Commission's power plant review process and the specifics of the CECP application. Please contact Michael Smith, Director of Governmental Affairs, at (916) 654-4942, if you would like a briefing. If your constituents would like to participate in the Energy Commission's review of the project, they should contact the Energy Commission's Public Adviser's office at (916) 654-4489 or toll free in California, at (800) 822-6228.

The status of the project, copies of notices, an electronic version of the AFC, and other relevant documents are available on the Energy Commission's Internet web site at: http://www.energy.ca.gov/sitingcases/carlsbad. You can also subscribe to receive e-mail notification of all notices at http://www.energy.ca.gov/listservers/index.html.

Sincerely,

B. B. BLEVINS

Executive Director

cc: Assembly Member Martin Garrick

Senator Mark Wyland

Supervisor Ron Roberts, Chairman, Board Of Supervisors

Supervisor Bill Horn, Supervisor District 5

Terry O'Brien, Deputy Director for Energy Facilities Siting, Energy Commission