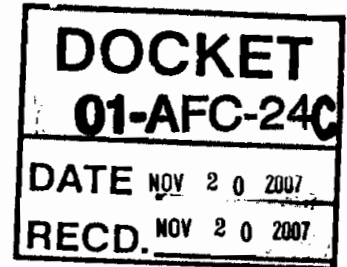


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Date: 11/20/2007 2:19 PM
Subject: Response to Bimbo Bakery comments dated Nov. 16, 2007

Paula - SDG&E will file a more formal letter as soon as possible concerning the Bimbo comments file by their attorney, Bill Kissinger. To quickly summarize our initial review:

1. Bimbo has once again waited until the 11th hour to comment (actually a week past that time) concerning the inlet air chiller application and should not be allowed to delay the process without good cause.
2. Delaying the approval of the petition beyond December 5th will eliminate the possibility of putting the air chiller on line by summer of 2008.
3. Commission staff stated in their letter to Bimbo on September 21, 2007 that "we have not found a causal relationship between the operation of the Palomar Energy Center and the Bimbo bakery." Bimbo has not submitted any new information to support such a relationship beyond what it submitted in its letter of February 8, 2007. Bimbo was given an opportunity to file a formal complaint if it wanted the Commission to continue its investigation. Bimbo failed to do so and instead filed its late comments opposing the chiller application.
4. Bimbo has not provided evidence that the chiller itself will have any significant effect on its operations. The comment letter merely assumes that because the bakery purported to experience mold problems in its products after the power plant started operations, that the power plant must somehow have caused the problem. This is not evidence, it is merely speculation turned into assumption turned into "truth". Given the myriad other potential explanations for claimed mold problems being experienced at a bakery with huge amounts of flour being handled and potentially discharged into the internal and external portions of the building, there is simply no basis for this convenient assumption. The expert relied upon by Bimbo has no claimed expertise regarding the potential relationship between assumed increases in moisture and mold growth in a bakery. He is not a biologist or toxicologist. He is an engineer. And even he waffles and speculates on the potential linkage.
5. SDG&E has attempted to obtain any evidence from Bimbo supporting their allegation of a linkage between power plant operation and the bakery's alleged mold issues since February, 2007. We met with Bimbo management in March, 2007 and endeavored to establish a framework for evaluation of any such evidence, if any. SDG&E has requests outstanding going back to early summer. Bimbo did not contact SDG&E from mid-summer until about ten days ago.
6. Bimbo has not provided evidence that addition of the chiller will itself cause significant additional moisture at the bakery roof. Without this, the mold issue has no place in the petition to amend proceeding. The best the Bimbo cooling tower engineer can do is say



"adding another 10% to the amount of water evaporated by the cooling tower is not going to help the situation". Of course, the "situation" has not been described with evidence, merely a repeated assumption.

7. The asserted 10% added by the chiller assumes a very high temperature case that will occur only infrequently during summer conditions when moisture evaporation potentials are quite high anyway. The analysis presented in the petition to amend clearly shows no significant difference in the baseline moisture emissions resulting from operation of the chiller. Moreover, episodic increases in moisture from chiller operation for a few hours, even if relevant, cannot instantly create mold that could enter the bakery.

8. The photo included with the comment letter is one we believe was sent to the Commission some time ago by Mr. Mark Rodriguez during construction of the plant. It appears to show steam blows, not current cooling tower operations.

9. Bimbo is attempting in effect a post hoc intervention into the power plant siting case that concluded four years ago. It had notice of all the workshops and hearings held for that proceeding and failed to comment or intervene.

10. Because the inlet air chiller has no significant effect on the baseline operation of the power plant, any issues relating to that baseline should be addressed by Bimbo outside the petition to amend proceeding. For this reason, SDG&E is opposed to adding any conditions of approval of the chiller application relating to studying effects of the current baseline condition. They are not justified by evidence presented to the Commission and in any event are irrelevant to the chiller application.

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