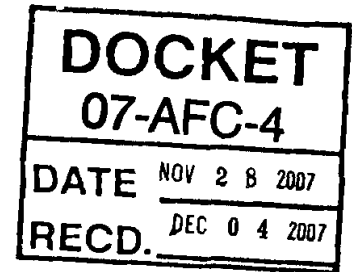




COUNCILMEMBER
John McCann



November 28, 2007

Ms. Jackalyne Pfannenstiel, Chair
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: MMC Energy Chula Vista Energy Upgrade Project

Dear Commissioner Pfannenstiel:

As you are aware, MMC Energy, Incorporated (MMC) proposes to upgrade their electrical generating plant in Chula Vista. The Chula Vista Energy Upgrade Project (CVEUP) will occur on the northern portion of the current 3.8 acre site at 3497 Main Street. This will increase the separation between the peaker and the Otay Valley Regional Park. The project will substantially increase the efficiency of energy generated on site by upgrading and improving the existing facility.

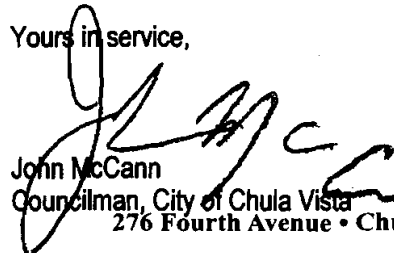
To help meet the region's needs, MMC Energy will upgrade its existing peaker to increase generating capacity from 44.5 MW to 100 MW. The technology will be upgraded with the installation of two highly efficient GE LM 6000 combustion turbines that will use catalysts to reduce the oxides of nitrogen and carbon monoxide to minimal levels. This will benefit the surrounding community with the creation of a more environmentally friendly plant than the existing plant, resulting in a greater source of power with less fuel consumption and decreased emissions per power produced.

The peaker was originally approved by the City of Chula Vista in 2000 under a conditional use permit and operates primarily during peak season – May through September. The California Independent System Operator (CAISO) has designated the San Diego region as a reliability-constrained area. Peaking capacity is necessary to respond to the local demand for electricity that increases typically in the afternoons of Chula Vista's summer days or to support steep increases in power demands as larger units start up. The peaker upgrade is anticipated to operate for up to 5% of the year and will fulfill the final project objective of reusing existing infrastructure, such as the existing transmission interconnection, water supply, and gas supply.

Property taxes generated by the CVEUP site would increase substantially due to the increased value of the new equipment proposed as part of the CVEUP. In addition, the CVEUP would help to further the redevelopment goals of the Southwest Redevelopment Area by ensuring that the industrial use onsite remains viable and complements ongoing industrial and commercial development in the area while minimizing impacts to the neighboring community.

For the above-stated reasons, I support bringing increased energy capacity to the area as proposed by MMC Energy in the CVEUP. I welcome this state-of-the-art facility which would provide a substantial tax benefit to the designated redevelopment area, and the City as a whole, while adhering to environmental standards that ensure community safety.

Yours in service,



John McCann
Councilman, City of Chula Vista

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