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January 10, 2008

Mr. Christopher Meyer
Project Manager
California Energy Commission
1516 9th Street
Sacramento, CA 95833

Subject: Southwest Chula Vista Civic Association Flyer
MMC Energy Chula Vista Energy Upgrade Project

Dear Mr. Meyer:

On September 26, the Southwest Chula Vista Civic Association distributed a flyer in the Chula Vista community regarding the Chula Vista Energy Upgrade Project (CVEUP). A copy of this flyer may have also been provided to the California Energy Commission. Because this flyer contains distortions and inaccuracies, MMC Energy, Inc. has prepared this point-by-point response for the public record.

"The Central Electric Peaker" – The project name is Chula Vista Energy Upgrade Project. Central Electric Peaker is not now, nor has it ever been, a name for the project.

"The explosion of tanker truck carrying ammoniaⁿ⁷" – Ammonia is not an explosive material. Its hazards are related to inhalation of ammonia vapor. Ammonia will be used at the CVEUP to control air pollution and will be transported and stored in a mixture of 19 percent ammonia and 81 percent water to limit evaporation in case of an accidental release. A solution of ammonia and water evaporates slowly and so does not easily reach concentrations that are irritating or harmful to humans. Furthermore, ammonia is a widely used substance in agriculture and industry (for example, supermarket refrigeration systems) and the safety record of ammonia transport is nearly flawless.

"It increases contamination/pollution by 20 percent" – The new power plant will result in significant reductions in air emissions per generating unit for each criteria pollutant (see table, below). Even when comparing the two new units combined with the existing unit, emissions of carbon monoxide will be significantly lower with the new plant, despite the fact that the new plant will generate more than twice as much electricity as the existing one. Furthermore, the comparisons in the attached table do not show the full extent of the reductions in emissions that will actually occur. The table compares the actual emissions of the existing facility to the potential emissions

¹ The flyer also showed a photograph of a burning truck.

from the proposed project. The actual emissions from the proposed facility will be less than the potential emissions shown in the table. Therefore, the actual reductions will be even greater than those shown in the table below.

Emissions per generating unit, tons per year, 500 hours per year of operation

Pollutant	Current Emissions (actual)	CVEUP emissions (potential)	Emissions decrease (tpy)	Percent Decrease
NO _x	1.8	1.35	-0.45	-25.0%
CO	13.0	1.70	-11.3	-86.9%
VOC	0.3	0.30	0.0	0.0%
SO ₂	0.4	0.30	-0.1	-25.0%
PM ₁₀	1.1	0.75	-0.35	-31.8%

"It increases the number of ammonia loaded trucks?" – Based upon 500 hours of operation per year, the project would require only 1 or 2 ammonia tank deliveries per year. MMC calculated the expected level of operation by looking at the actual data from facilities of similar efficiency and location. The California Independent System Operator dispatches power plants to operate based upon their rated efficiency, unless generation is needed in a specific location for reliability. A power plant in the same region with a similar efficiency (rate at which a given configuration of technology can convert natural gas to electrical power, or heat rate) gives a good indication of the amount we can expect the proposed project to operate. The Larkspur Energy Facility in San Diego County, for example, operated 373 hours in 2004. Therefore, an estimate that the Chula Vista Energy Upgrade Project will operate approximately 500 hours per year is probably conservative, and accounts for annual variation and its location and reliability benefits.

Please contact me at 916-286-0278 if you have any questions about this matter.

Sincerely,



Douglas M. Davy, Ph.D.
Senior Project Manager

- c: M. Hamilton (MMC)
- H. Scarborough (MMC)
- J. Luckhardt (Downey Brand)
- R. Ramirez (Council Member, City of Chula Vista)
- S. Tulloch (City of Chula Vista)

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA

**Application for Certification for the
CHULA VISTA ENERGY
UPGRADE PROJECT**

Docket No. 07-AFC-4

**PROOF OF SERVICE
(Revised 01/03/08)**

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 06-AFC-07
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DECLARATION OF SERVICE

I, Jeannette Harris, declare that on January 10, 2008, I deposited the required copies of the attached Letter addressed to Mr. Christopher Meyer/CEC Re: Southwest Chula Vista Civic Association Flyer filed in support of the Chula Vista Energy Upgrade Project (07-AFC-4) in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. I declare under penalty of perjury that the foregoing is true and correct.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



Jeannette Harris