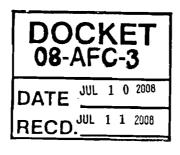
State Of California

Memorandum



The Resources Agency of California

Date: July 10, 2008 Telephone: (916) 654-4966

To: Jackalyne Pfannenstiel, Chairman

James D. Boyd, Vice Chair

Arthur H. Rosenfeld, Ph.D., Commissioner

Jeffrey Byron, Commissioner Karen Douglas, Commissioner

From: California Energy Commission - Melissa Jones

1516 Ninth Street

Sacramento, CA 95814-5512

Camornia Energy Commission - Wellssa Jones

Executive Director

Subject: MARSH LANDING GENERATING STATION, REVISED DATA ADEQUACY

RECOMMENDATION

(08-AFC-3)

On June 27, 2008, staff completed its data adequacy review of the Application for Certification (AFC) for the Marsh Landing Generating Station (MLGS). Staff determined the AFC did not meet all the informational requirements in Title 20, California Code of Regulations, section 1704 and Appendix B for the 12-month power plant licensing process. One of the deficiencies is the lack of a "completed system impact study" as required by Appendix B(b)(2)(E).

The purpose of this memo is to clarify what staff believes would be acceptable as a "completed system impact study" during the current transition period in which the California Independent System Operator (California ISO) is reforming its process for conducting system impact studies. The California ISO's transition period is expected to last until 2010. During that time, the California ISO will not be completing system impact studies in time for the filing of new AFCs, such as the one for Marsh Landing. Consequently, after discussing the matter with the Siting Committee on July 9, 2008, staff offers the following clarification for Commission approval at the July 16, 2008 Business Meeting when the Commission considers staff's data adequacy recommendation for Marsh Landing:

For the duration of the transition period to the California Independent System Operator's (California ISO's) Generation Interconnection Process Reform, which is scheduled to end in 2010, the Energy Commission will accept and rely on third party interconnection studies to satisfy the informational requirement for a "completed system impact study" for transmission system engineering. These studies should be performed using California ISO data files. The Commission will reconsider the acceptance of third party interconnection studies as necessary, depending on the length of the ISO's transition period and other related factors.

At the Energy Commission's July 16, 2008, Business Meeting, I will recommend that the Commission adopt the list of deficiencies, with the above-proposed clarification, and not accept the AFC until the additional information specified in the data adequacy worksheets is supplied. If you have any questions, please contact Mike Monasmith, staff's Project Manager, at (916) 654-4894.