

CALIFORNIA ENERGY COMMISSION

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March 13, 2009

Sonja Herman
Covanta Delano, Inc.
P.O. Box 550
Delano, CA 93216

DOCKET**02-REN-1038**DATE MAR 13 2009RECD. MAR 16 2009

RE: **Existing Renewable Facilities Application**
Application for Confidentiality
Covanta Delano, Inc.
Docket No. 02-REN-1038

Dear Ms. Herman:

On February 13, 2009, Covanta Delano, Inc. (Covanta) filed an Application for Confidentiality in the Docket No. 02-REN-1038. The Application seeks confidentiality for information related to the 2009 Funding Eligibility Existing Renewable Facilities Program Application. Specifically, the Application seeks confidentiality for:

All documents and supporting information provided in response to questions 1(a) under justification for Target prices requested including the financial statements and all contract prices and financial information. In short, anything with a numeric value could be derived.

Covanta requests that the information be kept confidential until 2014, pursuant to its contractual confidentiality obligations with various firms.

Covanta bases its request on Section 6254(k) of the Public Records Act (Gov. Code, § 6254(k) and Evidence Code section 1040). Covanta states that the information provided by Covanta is trade secret because:

. . . the principal (sic) trade secrets of the facility include everything relating to our marginal operating costs and our biomass fuel costs, values that are closely related. Each Biomass plant competes for fuel and all of our competitors would like to know this information. Disclosure of this information could negatively effect (sic) our business by impacting negotiations with biomass fuel suppliers. This could have the effect of increasing our biomass fuel price that we pay to suppliers, thereby making our plant less self sufficient.

A properly filed Application for Confidentiality shall be granted under the California Code

of Regulations, title 20, section 2505(a)(3)(A), "If the applicant makes a reasonable claim that the Public Records Act or other provision of law authorizes the [Energy] Commission to keep the record confidential." The California Public Records Act allows the non-disclosure of trade secrets. Gov. Code, § 6254(k); Evid. Code, § 1060. The California courts have traditionally used the following definition of trade secret:

a trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. . . .

(*Uribe v. Howe* (1971) 19 Cal.App.3d 194, 207-208, from the Restatement of Torts, vol. 4, § 757, comments b, p.5.)

As to some of the items in the Funding Eligibility Existing Renewable Facilities Program Application, Covanta's confidentiality application makes a reasonable claim of confidentiality. Specifically, I have determined that the information submitted in response to the following item numbers in the application, and any attachments submitted in support of Covanta's response, are confidential:

- Line 21 – Total State Tax Credits Received by Facility
- Line 22 – Total Federal Tax Credits Received by Facility
- Line 23 – market Value of the Facility
- Line 24 – Explanation of how incentive payments will allow the facility to become cost-competitive by the end of the 2011 calendar year
- Line 27 – Estimate of the target price needed in order to ensure the continued operation of the facility through the application year
- Line 28 – Estimate of the production incentive cap needed

This information above is exempt from public disclosure since it constitutes a trade secret, and could harm Covanta's proprietary business interests. Gov. Code § 6254 (k). This information will not be aggregated or masked. Accordingly, the data identified above is granted confidentiality until December 31, 2012.

With regards to the remaining information, the request is denied. The remaining information requested in the application is information which is either already public, will become public due to the Energy Commission's legal reporting requirements, or is information which does not fall under the Public Records Act's definition of trade secrets.

Persons may petition to inspect or copy the records that I have designated as confidential. The procedures and criteria for filing, reviewing, and acting upon such petitions are set forth in the California Code of Regulations, title 20, section 2506.

Please note that subsequently submitted information can be deemed confidential

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as specified in this letter without the need for a new application if you file a certification under penalty of perjury that the new information is substantially similar to the information granted confidentiality by this determination. California Code of Regulations, title 20, sections 2505(a)(1)(G) and 2505(a)(4).

If you have any questions concerning this matter, please contact Deborah Dyer, Senior Staff Counsel, at (916) 654-3870.

Sincerely,

MELISSA JONES
Executive Director

cc: Docket Unit
Jason Orta, Energy Efficiency & Renewables Division