

DOCKET
01-AFC-21C

DATE APR 24 2009

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April 24, 2009

California Energy Commission
Docket Unit
1516 Ninth Street
Sacramento, CA 95814-5512

**Subject: PG&E'S PETITION FOR OWNERSHIP CHANGE AND EXTENSION
OF LICENSE**

Enclosed for filing with the California Energy Commission is the original copy of
**PG&E'S PETITION FOR OWNERSHIP CHANGE AND EXTENSION OF
LICENSE**, for the Tesla Power Project (01-AFC-21).

Sincerely,



Ashley Y Garner

Scott A. Galati
GALATIBLEK, LLP
455 Capitol Mall Avenue
Suite 350
Sacramento, CA 95814
(916) 441-6575

STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:
TESLA POWER PROJECT

DOCKET NO. 01-AFC-21
PG&E'S PETITION FOR
OWNERSHIP CHANGE AND
EXTENSION OF LICENSE

INTRODUCTION

On June 16, 2004, the California Energy Commission (CEC) issued a Decision to Midway Power, LLC, a then wholly-owned subsidiary of ESI Energy, LLC (which is a wholly-owned subsidiary of FPL Energy, LLC) (collectively FPLE), thereby licensing the construction and operation of the Tesla Power Project (TPP), Docket No. 01-AFC-21 (CEC License). The CEC License provides that the deadline for the commencement of construction of the TPP is June 16, 2009.

On July 17, 2008 Pacific Gas and Electric Company (PG&E) entered into an agreement to acquire from FPLE all of the outstanding membership interests of Midway Power, LLC which holds all the assets, land, emission reduction credits, development rights, and permits associated with the TPP site. On December 2, 2008, the parties satisfied all closing conditions and PG&E acquired Midway Power, LLC with the result being that Midway Power, LLC is a wholly-owned subsidiary of PG&E. Pursuant to CEC regulation¹ PG&E hereby files this Petition to formally transfer ownership of the

¹ Title 20 California Code of Regulations, Section, 1769 (b)

CEC License. In addition, pursuant to CEC regulation² PG&E has included in this Petition a request to extend the deadline for the commencement of construction for the TPP for five years to June 16, 2014.

TRANSFER OF OWNERSHIP

Attachment A contains the required verified statement from an officer of PG&E describing the transaction indicating that PG&E understands and will comply with the conditions of certification contained in the Commission Decision.

EXTENSION OF COMMENCEMENT OF CONSTRUCTION DEADLINE

The extension is necessary because PG&E will not commence construction of the TPP prior to June 16, 2009. PG&E only acquired the TPP in late 2008. If the deadline for commencement of construction is not extended, the value of a fully permitted power plant site would be lost. First, the Commission has spent a considerable amount of time and resources in assessing and permitting the TPP. The Commission's process was thorough and incorporated the participation of many stakeholders and members of the public. The TPP's potential environmental impacts were fully vetted and the Commission ultimately concluded that the construction and operation of the TPP would not result in significant environmental impacts and would comply with all applicable laws, ordinances, regulations and standards. Since the time to prepare an Application For Certification (approximately 6 months), undergo Commission and other affected agency review (12 to 18 months) and to demonstrate compliance with the Conditions of Certification contained in the Commission's Decision (3 to 6 months) is lengthy and uncertain, a fully permitted "shovel ready" power plant site would allow the delivery of electricity to PG&E's customers in a relatively short time frame if PG&E seeks to develop TPP with the appropriate approval from the California Public Utilities Commission.

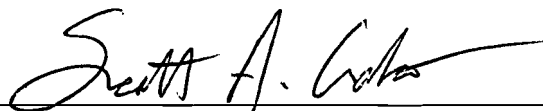
PG&E does not have any plans at this time for the development of TPP. PG&E would like to preserve the status of the site as a permitted site, which would allow it to

² Title 20 California Code of Regulations, Section 1720.3

be developed on a faster track than a Greenfield site in the future if PG&E seeks to develop TPP with the appropriate approval from the California Public Utilities Commission. PG&E is requesting an extension of the TPP license in order to preserve its value; the site could be sold to a third party to develop, or could be developed by PG&E in the future only if it receives California Public Utilities Commission approval. In either case, PG&E's customers would benefit if the circumstances require the quick development of the plant. It was for this reason that PG&E acquired the TPP. As the Commission is aware, a number of projects with whom PG&E contracted for delivery of electricity either failed to secure the necessary permits or were significantly delayed. The TPP would assist in providing customer protection if additional projects are unable to deliver electricity as required by their contracts with PG&E. These reasons establish good cause for extension of the construction deadline to June 16, 2014.

PG&E requests an extension of five years because a) PG&E will better know the status and deliverability of contracted power from as yet built projects for the 2012 – 2014 timeframe, and b) financial market conditions may require a significant amount of time from now to be able to support cost effective financing of TPP's construction by either PG&E or a third party.

Dated: April 24, 2009



Scott A. Galati
Counsel to Pacific Gas and Electric Company

Attachment A: Verification

STATE OF CALIFORNIA
Energy Resources
Conservation and Development Commission

In the Matter of:

DOCKET NO. 01 AFC-21

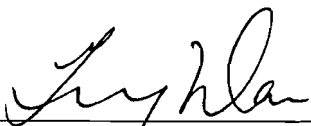
TESLA POWER PROJECT

**DECLARATION OF FONG WAN,
SENIOR VICE PRESIDENT ENERGY
PROCUREMENT FOR PG&E**

I, Fong Wan, declare as follows

1. I am the Senior Vice President for Energy Procurement for Pacific Gas and Electric Company (PG&E).
2. Midway Power, LLC is currently the owner and holder of the Commission license to construct and operate the Tesla Power Project.
3. On December 2, 2008 and pursuant to an agreement dated July 17, 2008, PG&E acquired all of the outstanding membership interests of Midway Power, LLC, which holds all the assets, land, emission reduction credits, permits, and development rights associated with the Tesla Power Project.
4. I hereby attest that PG&E understands the conditions of certification applicable to the Tesla Power Project pursuant to the Commission's Decision, Docket No. 01-AFC-21, must be complied with and that PG&E accepts responsibility for compliance with those conditions.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and that this declaration was executed at San Francisco, California on April 23, 2009.



Fong Wan
Senior Vice President
Pacific Gas and Electric Company



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION
FOR THE *Tesla Power Project*

DOCKET No. 01-AFC-21

PROOF OF SERVICE
(Revised 10/09/03)

APPLICANT'S COUNSEL

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DECLARATION OF SERVICE

I, Ashley Y Garner, declare that on April 24, 2009, I served and filed copies of the attached **PG&E'S PETITION FOR OWNERSHIP CHANGE AND EXTENSION OF LICENSE** dated **April 24, 2009**. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at:

[www.energy.ca.gov/sitingcases/lodi]. The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES:

sent electronically to all email addresses on the Proof of Service list;

by personal delivery or by depositing in the United States mail at with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (**preferred method**);

OR

depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. **08-AFC-10**
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

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



Ashley Y. Garner