

DOCKET	
07-AFC-2	
DATE	<u>JUN 10 2010</u>
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June 10, 2010

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

Subject: **SAN GABRIEL GENERATING STATION REQUEST FOR
ADDITIONAL PROJECT SUSPENSION
DOCKET NO. (07-AFC-02)**

Enclosed for filing with the California Energy Commission is the original of the **SAN GABRIEL GENERATING STATION REQUEST FOR ADDITIONAL PROJECT SUSPENSION**, for the San Gabriel Generating Station (07-AFC-02).

Sincerely,



Marie Mills

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STATE OF CALIFORNIA
Energy Resources
Conservation and Development Commission

In the Matter of:

Application for Certification for the San Gabriel
Generating Station

DOCKET NO. 07-AFC-2

**SAN GABRIEL GENERATING STATION
REQUEST FOR ADDITIONAL PROJECT
SUSPENSION**

Pursuant to section 1716.5 of the California Energy Commission Siting Regulations, applicant San Gabriel Power Generation, LLC (SGPG), a subsidiary of RRI Energy, Inc. (RRI Energy), hereby submits this motion requesting an additional twelve (12) month suspension for the San Gabriel Generating Station (SGGS) 07-AFC-2.

The SGGS is located in Rancho Cucamonga, California, within the South Coast Air Quality Management District's (SCAQMD) jurisdiction. SGPG has been developing the SGGS to supply electricity within the southern California region. The proposed SGGS is a 696 megawatt natural gas-fired combined cycle facility located on a brown field site primarily within the existing sixty (60) acre Etiwanda Generating Station property. The location has the benefit of being able to utilize existing transmission, reclaimed water supply and natural gas infrastructure. In addition to the preferred location, the project has the potential to employ a 974 peak construction workforce with an additional 40 contractor staff. During the construction of the SGGS approximately \$53 million dollars would be spent on equipment, materials, supplies, and other costs within the four-county area of San Bernardino, Riverside, Los Angeles and Orange County. After construction, the assessed value of the parcel would annually accrue tax revenue to San Bernardino County in the approximate amount of \$5.4 million dollars.

The SGGS has requested and been granted two (2), six month project suspensions to date. The main project impediment has been, and continues to be, the inability to access sufficient quantities of certain emission reduction credits, such as PM₁₀ credits, within the SCAQMD. SCQAMD Rule 1309.1, which authorized the use of Priority Reserve credits for new generation due to the lack of sufficient credits in the marketplace, was subsequently withdrawn as a result of litigation.

In an attempt to bring resolution to the current development constraints within the SCAQMD, SGPG has followed and commented on California legislative activities, participated in all of the workshops with the SCAQMD addressing their Priority Reserve, and worked with various utility and industry groups who are faced with the same permitting challenges. Despite the ongoing aforementioned issue, SGPG believes there still may be an opportunity to find resolution. RRI Energy and Mirant Corporation (Mirant) recently publicly announced that they have agreed to a potential merger. While this merger will not take effect until all regulatory and other necessary approvals are granted, SGPG believes this may provide the SGGS new options and potential opportunities not previously available. Additionally, California Assembly Bill (AB) 1318 requires that on or before July 1, 2010, various state and other agencies submit to the Governor and the Legislature, a report that evaluates the electrical system reliability needs of the South Coast Air Basin, accompanied with recommendations to meet those needs. The results of the study required by AB 1318 have the potential to require additional legislative action. SGPG believes the SGGS is ideally suited to meet the potential up and coming reliable energy needs of the surrounding region.

The SGGS has received a Preliminary Determination of Compliance (PDOC) from the SCAQMD, and believes that the California Energy Commission staff has spent increasingly valuable time and resources in evaluating the potential impacts of the SGGS. Due to the continuing unprecedented permitting difficulties outside of the applicant's control SGPG is requesting a twelve (12) month suspension. However, should SGPG find a solution through the potential merger with Mirant, continued workshops with the SCAQMD or other legislative efforts, we will request the project be taken off of suspended status to reinstate the proceedings.

Dated: June 10, 2010

// original signed //

David L. Wiseman
Counsel to San Gabriel Power Generation, LLC



**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 *SAN GABRIEL*
GENERATING STATION**

Docket No. 07-AFC-2

**PROOF OF SERVICE
(Revised 2/4/2010)**

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DECLARATION OF SERVICE

I, Marie Mills, declare that on June 10, 2010, I served and filed copies of the attached **SAN GABRIEL GENERATING STATION REQUEST FOR ADDITIONAL PROJECT SUSPENSION**, dated **June 10, 2010**. 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: <http://www.energy.ca.gov/sitingcases/sangabriel/index.html>

The documents have 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;

by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date 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. 07-AFC-02

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, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.



Marie Mills