

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5112  
www.energy.ca.gov



May 9, 2011

<b>DOCKET</b> 00-AFC-12C
DATE <u>5-9-11</u>
RECD. <u>5-9-11</u>

Barb J. Irwin  
Director Environmental  
West Region Operations  
Dynegy, Inc.  
6200 Stoneridge Mall Rd., Suite 300  
Pleasanton, CA 94588

**MORRO BAY MODERNIZATION AND REPLACEMENT POWER PLANT  
PROJECT (00-AFC-12) – AUTHORIZATION TO START TANK FARM  
DEMOLITION ACTIVITIES**

Dear Ms. Irwin:

Energy Commission staff has completed its review of the pre-demolition conditions of certification submittals for the Morro Bay Tank Farm demolition and has determined that all demolition activities for this portion of the Morro Bay Modernization and Replacement Power Plant project may commence, per your schedule, as of May 23, 2010.

The Energy Commission will continue to work closely with Dynegy to ensure conformance with all conditions of certification per the Energy Commission's Amended Order dated June 22, 2005. Lack of conformance with any of the conditions of certification may result in suspension of demolition activities.

Energy Commission staff will be visiting the site during demolition activities to ensure compliance with conditions of certification applicable to the tank farm demolition. Also, please submit notification when the demolition is complete with a short summary and discussion about any issues encountered during the activities.

If you have questions, please contact Compliance Project Manager Mary Dyas of my staff, at (916) 651-8891. Thank you.

Sincerely,

**CHRISTOPHER J. MARXEN**, Manager  
Compliance and Dockets Office  
Siting, Transmission & Environmental Protection  
Division

Cc: Docket Unit, California Energy Commission  
Jeffery Ogata, Assistant Chief Counsel, Energy Commission  
Chris Ellison, Ellison, Schneider and Harris, L.L.P