

October 12, 2012

Mr. Eric Solorio
Project Manager
Siting, Transmission and Environmental Protection Division
California Energy Commission (CEC)
1516 Ninth Street, MS-2000
Sacramento, CA 95814



Dear Mr. Solorio:

The San Diego Regional Chamber of Commerce understands that the CEC will be discussing the Quail Brush Generation Project (Quail Brush) at its status conference on October 16, 2012 to determine if the peaker plant is for public convenience and necessity. The Chamber's Board of Directors voted to endorse the Quail Brush project because it believes San Diego needs more reliable energy sources to keep our members economically viable and less vulnerable to power disruptions.

The Chamber's member businesses depend on reliable power. As the San Diego Region population continues to grow and the state requires the utilities to meet its 33 percent Renewal Portfolio Standard (RPS), projects like Quail Brush will be needed because it will have the ability to start up quickly and efficiently when the need is greatest. While the Chamber supports renewable wind and solar projects, these sources do not produce power all the time. The region will need back-up generation such as Quail Brush well into the foreseeable future to prevent blackouts when those resources are not available. The Chamber supports the rooftop solar production on homes and businesses; however, these systems will be less effective during peak demand periods in the mid-afternoon and in the early evening. Even with more renewable projects coming online, the discrepancy could negatively impact reliability for region's businesses and residents.

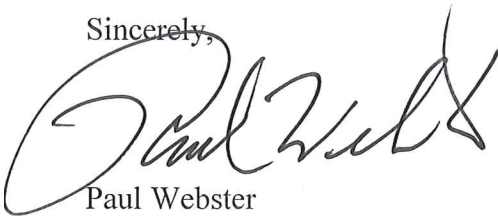
In light of the prolonged and possible permanent shutdown of the San Onofre Nuclear Generating Station (SONGS) and predicted shutdowns of older less efficient facilities like the Encina Power station, the San Diego region will need more electricity during peak demand periods and until the region can develop diverse and reliable sources of power. The closure of SONGS has resulted in the loss of approximately 440 megawatts (MW) to San Diego Gas & Electric's (SDG&E) system. The utility was able to maintain reliability this summer due to the Sunrise Powerlink transmission line and a power plant in Huntington Beach. However, the Huntington Beach facility will be shutdown permanently this autumn so it will not be available to SDG&E again next year. If SONGS remains out of service in 2013, the region will need to find other sources of power such as Quail Brush to meet peak demand. The expected closure of

older facilities like Encina Power Station will impact our region's power needs. The addition of the energy produced by Quail Brush and two other peaker plants like Pio Pico and the Escondido Energy Center would help utilities close down these older and outdated facilities resulting in more reliable and efficient power supply with lower emissions.

Quail Brush is clearly needed to ensure reliability in the San Diego region. Therefore, the Chamber urges the CEC to approve this critical facility in a timely manner.

Thank you for your consideration.

Sincerely,



Paul Webster
Vice-President of Public Policy

PW:mn