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DOCKET OFFICE

DATE: November 13, 2012

TO: Interested Parties

FROM: Kevin Bell, Senior Staff Counsel

SUBJECT: Bottle Rock Geothermal Power Plant Complaint, 12-CAI-04 Staff Response to Complaint

On October 11, 2012, David Coleman filed a complaint pursuant to title 20, California Code of Regulations, section 1237 regarding a recent amendment to the original 2001 purchase agreement between Bottle Rock Power LLC and the California Department of Water Resources.

The attached document is Staff's report to the Energy Commission regarding its investigation into the complaint. This matter will be heard at the Energy Commission's December 12, 2012, Business Meeting.

Any person may file comments to staff's report. All comments must be in writing and must be sent to the Energy Commission Dockets Unit. Please include the docket number (12-CAI-04) in the subject line or first paragraph of your comments. Those submitting comments electronically should provide them in either Microsoft Word format or as a Portable Document Format (PDF) to [docket@energy.ca.gov]. Please include your name or organization's name in the file name. Those preparing non-electronic written comments should mail or hand deliver them to:

> California Energy Commission Dockets Unit, MS-4 Docket No. 12-CAI-04 1516 Ninth Street Sacramento, CA 95814-5512

For further information on how to participate in this proceeding, please contact the Energy Commission Public Adviser's Office, at (916) 654-4489, or toll free in California at (800) 822-6228, or by e-mail at publicadviser@energy.ca.gov. News media inquiries should be directed to the Energy Commission Media Office at (916) 654-4989, or by email at mediaoffice@energy.ca.gov.

Enclosure

EDMUND G. BROWN JR., Governor



California Energy Commission DOCKETED 12-CAI-04 TN # 68503 NOV 13 2012

STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:

BOTTLE ROCK GEOTHERMAL POWER PLANT Docket No. 12-CAI-04

STAFF RESPONSE TO COMPLAINT

(CCR TITLE 20, § 1237)

SUMMARY

On October 11, 2012, David Coleman filed a Complaint pursuant to California Code of Regulations, title 20, section 1237 regarding a recent amendment to the original 2001 purchase agreement between the current owner of the facility, Bottle Rock Power LLC, and the previous owner of the facility, the California Department of Resources (DWR).

The complaint alleges that amendment to the purchase agreement violates the Commission's May 30, 2001 order approving the transfer of ownership of the Bottle Rock Power Plant from DWR to Bottle Rock Power LLC. In that order, the Commission approved the transfer of ownership subject to the specific condition that both DWR and Bottle Rock Power LLC would "strictly adhere to the terms of the 'Purchase Agreement for the Bottle Rock Power Plant." That purchase agreement included the requirement that Bottle Rock Power LLC deliver a five million dollar surety bond to DWR to ensure that sufficient funds would be available for the eventual decommissioning of the facility. The purchase agreement also included a requirement that an Environmental Impairment Insurance Policy be in effect at all times.

On August 29, 2012, Bottle Rock Power LLC and DWR finalized an agreement amending the original purchase agreement, which included a settlement agreement with landowners V.V. & J Coleman, LLC. That agreement deleted the provisions requiring the maintenance of the five million dollar closure bond, and deleted the requirement for an Environmental Impairment Insurance Policy.

Staff initiated its investigation into the allegations raised in the Complaint. Staff has reviewed the amendment to the Purchase Agreement and notes that it has not been approved by the Commission. No Petition to Amend has been filed by Bottle Rock Power, LLC, nor has DWR petitioned the Commission for relief from their obligations under the Commission's May 30, 2001, Order. Staff therefore recommends that the Complaint be sustained, and that the Commission take appropriate action under Public Resources Code section 25534.

I. BACKGROUND

The Commission certified the 55 MW DWR Bottle Rock Geothermal Power Plant in 1980 for the purpose of providing electricity for the State Water Project. Operations at the Bottle Rock facility commenced in 1985. By 1990, DWR elected to close the facility due to a lack of steam. According to DWR, the Bottle Rock facility rarely attained 40 MW. The Commission approved an amendment to the conditions of certification that modified the monitoring and reporting requirements in consideration of the plant's shutdown status in April 1993 [Energy Commission Order #93-0426-02]. The Commission approved an extension for the suspension of operations in October I997, allowing DWR an additional three years to prepare a facility closure plan [Energy Commission Order #97-1203-1(a)].

On April 6, 2001, DWR submitted a Petition to transfer ownership of the Bottle Rock Geothermal Power Plant from DWR to the Bottle Rock Power Corporation. On May 30, 2001, Pursuant to title 20, California Code of Regulations, section 1769(b), the Commission approved the Petition for transfer of ownership. In its Order, the Commission found that "adequate measures appear to have been taken to enable DWR to ensure the proper closure and decommissioning of the Bottle Rock Power Plant subsequent to the transfer of ownership in the event Bottle Rock Power Corporation is unable to do so." The Commission's approval was specifically conditioned on compliance with the purchase agreement:

"(a) The parties shall strictly adhere to the terms of the 'Purchase Agreement for the Bottle Rock Power Plant and Assignment of Geothermal Lease'."

The "Purchase Agreement for Bottle Rock Power Plant and Assignment of Geothermal Steam Field Lease" (Agreement") included sections 2.4 (Security for Decommissioning and Reclamation Liabilities) and 2.5 (Environmental Impairment Insurance) from the Agreement.

Section 2.4 of the Agreement required Bottle Rock Power Company to deliver a five million dollar surety bond to DWR to ensure that sufficient funds would be available for the eventual decommissioning of the facility, and required that the bond remain in place until five years after completion of all decommissioning. Section 2.4(a) further provided that:

"...if [DWR] receives a complete release of liability under the Francisco Steam Field Lease, then Buyer may adjust the amount of the bond to the amount of an independent engineering estimate approved by [DWR] of the cost of decommissioning the Plant and Steam Field required to meet the requirements of the California Energy Commission, the County of Lake and any other regulatory agency with jurisdiction."

Section 2.5 of the Agreement requires that Bottle Rock Power Corporation maintain an Environmental Impairment Insurance policy, with limits on liability in an amount not less ten million dollars, designating DWR as a co-insured. That section also mandated that the policy must remain in effect at all times during the operation and decommissioning of the power plant, and extends to the associated steam fields.

On December 13, 2006, the Commission approved the change of ownership from Bottle Rock Power Corporation, LLC to Bottle Rock Power LLC, filing an Order to that effect.

The Order also changed or deleted some, but not all, Conditions of Certification, and allowed the restart of operations. All other Conditions of Certification remained in full force and effect, including the requirements for a closure bond and environmental insurance.

On August 3, 2012, Cathy Crothers, Chief Counsel for DWR, sent a letter to Energy Commission Chairman Robert B. Weisenmiller. The letter stated "This memo is to advise your agency that the Department of Water Resources (DWR) is planning to amend the 'Purchase Agreement for the Bottle Rock Power Plant and assignment of Geothermal Lease,' dated April 5, 2001 by the deletions of Sections 2.4 and 2.5 in exchange for a release of Liability of DWR to Bottle Rock Power or the owners of the geothermal steam. We have enclosed a copy of the contract so that you may evaluate any potential effects on your agency by this proposed amendment"

On August 28, 2012, the County of Lake objected to the proposed amendment, stating in a letter to Ms. Crothers:

"The County is opposed to this amendment because we are not confident that adequate funds or securities exist elsewhere to guarantee the eventual decommissioning and reclamation of the site in the future."

On August 14, 2012 the DWR director signed the Eighth Amendment to the Purchase Agreement For Bottle Rock Power Plant and Assignment of Geothermal Steam Lease and attached Exhibit G Settlement Agreement and Release of Claims with Bottle Rock Power LLC and V.V. & J Coleman, LLC. On August 29, 2012 the California Department of General Services (DGS) approved the agreement amending the original Agreement. The amendment deleted sections 2.4 and 2.5 from the Agreement, and provided DWR with a complete release of liability.

On October 2, 2012, Assistant Chief Counsel Jeffery Ogata from the Commission sent an e-mail to Ms. Crothers advising that he had reviewed the August 29 letter and inquiring whether the proposed amendment had been executed. Mr. Ogata informed Ms. Crothers that the Commission may have concerns about the amendment conflicting with the 2001 Order. On October 22, Ms. Crothers responded to Mr. Ogata, informing him that the amendment to the Agreement had been approved by DGS on August 29, 2012.

No Petition to Amend has been filed with the Energy Commission by Bottle Rock Power LLC, or by DWR, regarding any change to the specific requirement that the parties "strictly adhere to the terms of the 'Purchase Agreement for the Bottle Rock Power Plant and Assignment of Geothermal Lease."

1. DWR's position

Staff met with DWR attorneys Bob James and John Dunnigan on October 25, 2012. They stated that DWR was approached by Bottle Rock Power LLC in March of this year, with an offer from both Bottle Rock Power and V.V. & J Coleman, LLC to release DWR and the State of California from all liability in exchange for the deletions of sections 2.4 and 2.5 of the original Purchase Agreement. The project owner advised DWR that it had been successful in its negotiations with the land owners and that the landowners will release the State of California of any and all liability associated with the power plant

DWR maintains that they believed that the original Purchase and Sale Agreement allowed for the deletions of Sections 2.4 and 2.5, pointing to a portion of the language on p.10 of the Agreement, which states in relevant part:

"...provided, however, *if seller receives a compete release of all liability under the Francisco Steam Field Lease, then Buyer may adjust the amount of the bond* to the amount of an independent engineering estimate approved by Seller of the cost to decommission the Plant and Steam Field required to meet the requirements of the California Energy Commission, the County of Lake and any other regulatory agency with jurisdiction."

In its Order of May 30, 2001 the Commission provided authority to DWR to negotiate a release of liability. DWR believed it was implementing the condition as set forth in the Order when it obtained a complete release of liability. DWR believes that an engineering estimate of any remaining bond requirement can be evaluated to meet the requirements of the California Energy Commission, the County of Lake, or any other regulatory agency with jurisdiction.

DWR made no assertion that an independent engineering estimate had been prepared prior to the finalization of the agreement. However, DWR expresses that they believe that this Amendment to the Purchase and Sale agreement is a "win-winwin" situation for all of the parties involved because the State of California will have no liability for the cleanup of the site once it is decommissioned.

DWR believed that under section Agreement 7.1(e) Bottle Rock Power LLC has full responsibility and sole obligation for Decommissioning and for all site restoration and remediation as may be triggered by property owners and regulatory authorities; and V.V. & J. Coleman, LLC, the sole owner of the property and Steam Field Lease agreed to the conditions in exchange for consideration from Bottle Rock. DWR believed that its August 3 letter to the Commission was the appropriate procedure to notify the Commission of the amendments to the Agreement, and has expressed a willingness to provide the necessary documents to correct any error found by the Commission.

2. The Project Owner's position

On October 17, 2012, staff spoke with Brian Harms, General Manager for Bottle Rock Power LLC. Mr. Harms stated that their \$10 million Environmental Insurance Policy is still in effect for two or three more years. At the end of that time, there will still be a policy in effect, but only for what Bottle Rock Power believes is required, between one and two million dollars.

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Mr. Harms stated that he knew nothing about the Commission Decision that states an Environmental Impairment Insurance policy has to be in force. Nor was he aware of any Conditions or Orders of the Commission that required that a Decommissioning Bond be maintained. Mr. Harms stated that Bottle Rock Power LLC is in the process of major renovations to the power plant's steam production facilities, and cannot afford to maintain the insurance policy and the Bond going forward.

On November 9, Mr. Harms sent an e-mail setting forth additional information relevant to Bottle Rock's position. Mr. Harms points out that the circumstances of Bottle Rock are significantly different than at the time of the Commission's 2001 Order. The project in now restarted and operational after substantial investment and is owned by two entities with substantial financial strength, unlike the original purchasers considered at the time of the order. Bottle Rock is operating and now has a longer reliable operating history than under the DWR ownership, and has a new 20 year Power Purchase Agreement in place approved by the CPUC until 2032.

Mr. Harms also discussed their position regarding the relevance of the Commission's jurisdiction. He correctly points out that the scope of the Commission's jurisdiction is limited to the Plant proper inside the fence line, but the original Purchase and Sale Agreement included the rights and obligations of the entire lease hold. The balance of the project property restoration is under jurisdiction of the County of Lake with a Use Permit that includes bond obligations that are in place. The majority of the project decommissioning is the plugging and abandonment of wells that are under the jurisdiction of DOGGR, not the Commission. Bottle Rock's position is that the decommissioning obligations of the plant site should be the only aspect considered by the Commission.

Bottle Rock has negotiated a reduced scope of decommissioning of the Plant and project with the land owner, V.V. & J Coleman, LLC, which modified the scope of decommissioning significantly and reduced the eventual cost of decommissioning of the Plant site. Mr. Harms included an estimate of the cost of decommissioning from an

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independent engineer, showing an estimated cost of \$2,242,000.00, along with an estimated scrap value of \$1,150,000.00. Mr. Harms asserts that the actual costs of decommissioning that portion of the facility over which the Commission has jurisdiction is estimated to be a net cost of less than \$200,000 when the non-plant site costs are taken out and scrap value is considered.

3. V.V. & J Coleman, LLC's position

V.V. & J Coleman, LLC owns the land upon which the Bottle Rock Power Plant has been constructed, and is adequately satisfied that Bottle Rock LLC will fulfill its obligations to remediate the site and restore the property as required by its current Mineral Lease. V.V. & J Coleman, LLC is relying on the remediation requirements in its contract as well as federal and state environmental statutes and case law to assure that Bottle Rock will fulfill its obligations.

V.V. & J Coleman, LLC has relied on estimates from DWR in setting the bond requirements in the original Purchase and Sale Agreement and also has engaged an expert in determining the projected costs of remediation and restoration required under the original Mineral Lease with DWR and the current requirements agreed to with Bottle Rock. V.V. & J Coleman, LLC has released DWR from its obligations under the original Mineral Lease. The obligations under the amended lease with Bottle Rock do not require restoration to a natural state, which is acceptable to V.V. & J Coleman, LLC.

4. Lake County's position

The County of Lake objected to the proposed amendment because they are not confident that adequate funds or securities exist to guarantee the eventual decommissioning and reclamation of the site. Lake County Assistant Resource Planner Will Evans stated that they have received no information demonstrating that Bottle Rock Power LLC will be able to ensure adequate remediation when the facility is decommissioned. Lake County's interest is not only in the steam field (over which they maintain regulatory authority), but the entire site, which is located entirely within the County. The County notes that while they approved a significant expansion of the steam field 20 months ago, construction has yet to begin. However, the county remains supportive of the project.

II. ANALYSIS

Title 20, California Code of Regulations, section 1237(a), provides in relevant part:

Any person must file any complaint alleging noncompliance with a commission decision...solely in accordance with this section. All such complaints...shall include the following information:

(1) the name, address, and telephone number of the person filing the complaint (complainant);

(2) the name, address, and telephone number of the person owning or operating, or proposing to own or operate, the project which is the subject of the complaint;

(3) a statement of facts upon which the complaint is based;

(4) a statement indicating the statute, regulation, order, decision, or condition of certification upon which the complaint is based;

(5) the action the complainant desires the commission to take;

(6) the authority under which the commission may take the action requested, if known, and;

(7) a declaration under penalty of perjury by the complainant attesting to the truth and accuracy of the statement of facts upon which the complaint is based.

The Complaint filed by David Coleman on October 11, 2012, satisfies the above requirements.

A. The statute, regulation, order, decision, or condition of certification upon which the complaint is based

Complainant alleges that the agreement between Bottle Rock Power LLC and DWR to Amend the "Purchase Agreement for Bottle Rock Power Plant and Assignment of Geothermal Steam Field Lease" to delete sections 2.4 and 2.5 violates the Commission's May 30, 2001 Order. Staff believes that the Complainant is correct.

1. <u>The Commission's approval of the change in ownership</u> was specifically conditioned on strict adherence to the terms of the "Purchase Agreement for Bottle Rock Power Plant and Assignment of Geothermal Lease."

In its Order of May 30, 2001, the Commission made a finding that "adequate measures appear to have been taken to enable DWR to ensure the proper closure and decommissioning of the Bottle Rock Power Plant subsequent to the transfer of ownership in the event Bottle Rock Power Corporation is unable to do so." Those adequate measures were memorialized in the Agreement, including sections 2.4 (Security for Decommissioning and Reclamation Liabilities) and 2.5 (Environmental Impairment Insurance).

On August 29, 2012, Bottle Rock Power LLC and DWR finalized the agreement amending the original "Purchase Agreement for Bottle Rock Power Plant and Assignment of Geothermal Steam Field Lease." The amendment deleted sections 2.4 and 2.5 from the Agreement, resting full responsibility for decommissioning with Bottle Rock, and providing DWR with a complete release of liability.

The intent of the Commission was to ensure that there would be sufficient assurances that the eventual closure and decommissioning of the facility, and the necessary environmental cleanup, would be addressed. Without the deleted sections, it is not clear that sufficient funds will be available for activities associated with the decommissioning of the facility.

The deletion of Section 2.4 and 2.5 in a separate agreement between Bottle Rock Power LLC and DWR without prior approval appears on its face to be in contravention of the Commission's 2001 Order.

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2. <u>The parties to the "Purchase Agreement for Bottle Rock</u> <u>Power Plant and Assignment of Geothermal Lease" were</u> <u>required to petition the Commission to amend that</u> <u>agreement.</u>

The Commission approved the Petition for transfer of ownership from DWR to Bottle Rock Power on May 30, 2001 only after finding that "adequate measures appear to have been taken to enable DWR to ensure the proper closure and decommissioning of the Bottle Rock Power Plant subsequent to the transfer of ownership in the event Bottle Rock Power Corporation is unable to do so." Adequate mitigation of the inevitable environmental effects associated with the closure and decommissioning of the power plant is a necessary component of the design, performance, and operation of any energy generating facility certified by the Commission.

Title 20, California Code of Regulations, section 1769(a), provides in relevant part:

"After the final decision is effective under section 1720.4, the applicant shall file with the commission a petition for any modification it proposes to the project design, operation, or performance requirements."

With the deletion of sections 2.4 and 2.5 of the original Purchase and Sale Agreement, it does not appear that adequate measures exist to ensure the proper closure and decommissioning of the Bottle Rock Power Plant. As the current owner of the facility, bound to follow all of the Commission's Conditions of Certification, Decisions, and Orders, Bottle Rock Power LLC had a clear duty to file a Petition to Amend under section 1769 prior to modifying the agreement with DWR concerning the original Purchase and Sale Agreement. And as a prior owner, DWR was aware that the Commission required on May 30, 2001 that DWR strictly adhere to the terms of the "Purchase Agreement for the Bottle Rock Power Plant and Assignment of Geothermal Lease."

B. The action the complainant desires the commission to take, and the authority under which the commission may take the action requested

Complainant requests that the Commission remedy this violation of its May 30, 2001 Order by notifying Bottle Rock Power LLC and DWR that the recent Amendment to the Purchase Agreement is "null and void" as it was not submitted to the Commission for approval pursuant to title 20, California Code of Regulations, section 1769. Complainant further requests that the Commission conduct a hearing on the issue of financial assurances for the cleanup and decommissioning of the Bottle Rock Project. Complainant asserts that the Commission is authorized to take these actions under Public Resources Code Sections 25210 and 25534. Complainant does not, however, provide the authority under which the Commission could grant the requested relief of unilaterally declaring the recent amendment of the purchase agreement "null and void."

California Public Resources Code section 25534 provides in relevant part:

(a) The commission may, after one or more hearings, amend the conditions of, or revoke the certification for, any facility for any of the following reasons:

(3) A violation of this division or any regulation or order issued by the Commission under this division.

Section 25210 provides that the Commission may "hold any hearings and conduct an investigation in any part of the state necessary to carry out its powers and duties prescribed in this division..."

The Commission has a strong interest in enforcing the May 30, 2001 Order, which is to ensure that the eventual closure and decommissioning of the facility and the attendant environmental cleanup would be adequately addressed. The recent amendment to the original "Purchase and Sale agreement" appears to violate the Commission's Order.

In the present matter, circumstances may indeed have changed that would allow the amendment to the original "Purchase and Sale agreement," as well as a modification to

the Commission's May 30, 2001 Order. More than 10 years has passed since the Commission approved DWR's sale of the facility. Additionally, the Bottle Rock Power Plant is in the process of expanding operations, from which can be inferred a degree of financial stability that may not have been present in 2001. However, neither Bottle Rock Power LLC nor DWR has sought to petition the Commission in advance of executing the amendment. DWR is willing to correct this procedural error by submitting the necessary documents to the Commission or to a committee appointed by the Commission to investigate this matter.

III. RECOMMENDATIONS

Title 20, California Code of Regulations, section 1237(e) sets forth the actions that the committee must take upon issuance of the staff report on a complaint:

Within 30 days after issuance of the staff report, the committee shall:

(1) dismiss the complaint upon a determination of insufficiency of the complaint or lack of merit;

(2) issue a written decision presenting its findings, conclusions, or order(s) after considering the complaint, staff report, and any submitted comments; or

(3) conduct hearings to further investigate the matter and then issue a written decision.

In consideration of the Commission's approval of that agreement, Bottle Rock Power, LLC and DWR were specifically bound to "strictly adhere" to its terms, which included two specific requirements that were deleted. Bottle Rock Power, LLC was required to deliver a five million dollar surety bond to DWR to ensure that sufficient funds would be available for the eventual decommissioning of the facility, and required that the bond remain in place until five years after completion of all decommissioning. Additionally, Bottle Rock Power, LLC was required to maintain an Environmental Impairment Insurance policy, with limits on liability in an amount not less than ten million dollars, designating DWR as a co-insured. That section also mandated that the policy must remain in effect at all times during the operation and decommissioning of the power plant, and extends to the associated steam fields.

Bottle Rock Power, LLC and DWR did not petition the Commission prior to amending the original "Purchase Agreement for the Bottle Rock Power Plant and Assignment of Geothermal Lease." That is not to say that conditions have not changed substantially since the Commission's Order of May 30, 2001 to modify sections 2.4 and 2.5 of the Agreement. However, staff has insufficient information before it to demonstrate whether or not the deletion of these sections would result in any significant effect on the environment, any changes or deletions to any condition of certification in the final decision, or whether the project would continue to comply with all laws, ordinances, regulations, or standards.

Staff therefore makes the following recommendation:

Pursuant to Section 1237(e)(2), the Commission should appoint a committee to conduct hearings to further investigate the matter to determine if the recent Amendment to the original "Purchase Agreement for the Bottle Rock Power Plant and Assignment of Geothermal Lease" should be allowed as proposed or modified as necessary.

Date: November 13, 2012

Respectfully Submitted,

<u>/s/ Kevin W. Bell</u> KEVIN W. BELL Senior Staff Counsel



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

FOR THE BOTTLE ROCK PROJECT

Docket No. 12-CAI-04 PROOF OF SERVICE (Revised 11/13/2012)

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* Indicates Change

DECLARATION OF SERVICE

I, <u>Pamela Fredieu</u>, declare that on <u>November 13, 2012</u>, I served and filed a copy of the attached <u>Cover letter to</u> <u>Interested Parties and Staff Response to Complaint</u>, dated <u>November 13, 2012</u>. This document is accompanied by the most recent Proof of Service list.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

- x Served electronically to all e-mail addresses on the Proof of Service list;
- x Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with firstclass 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 marked *****"hard copy required" or where no e-mail address is provided.

AND

For filing with the Docket Unit at the Energy Commission:

- X by sending an electronic copy to the e-mail address below (preferred method); OR
- by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT Attn: Docket No. 08-AFC-13C 1516 Ninth Street, MS-4 Sacramento, CA 95814-5512 docket@energy.ca.gov

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

> California Energy Commission Michael J. Levy, Chief Counsel 1516 Ninth Street MS-14 Sacramento, CA 95814 michael.levy@energy.ca.gov

I declare under penalty of perjury under the laws of the State of California 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.

<u>/s/ Pamela Fredieu</u> Pamela Fredieu, Legal Secretary