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LATHAM & WATKINS LLP

650 Town Center Drive, 20th Floor  
Costa Mesa, California 92626-1925  
Tel: +1.714.540.1235 Fax: +1.714.755.8290  
www.lw.com

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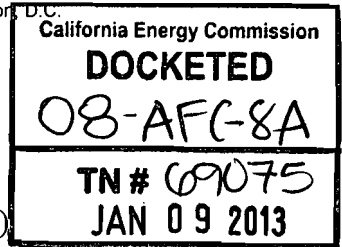
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050056-0001

January 8, 2013

Mr. Robert Oglesby  
Executive Director  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

Re: **Application for Confidential Designation**  
Hydrogen Energy California Power Plant (08-AFC-8A) ("Project")



Dear Mr. Oglesby:

On December 20, 2012, Hydrogen Energy California, LLC ("Applicant") for the abovementioned Project filed certain responses to Staff workshop requests, including response to Data Request A35, providing a list of changes to Project emissions of criteria pollutants, greenhouse gases, and toxic air contaminants. Attachment A35-1 (Emission Source Modification List), page 1, provided that "the updated criteria pollutant, greenhouse gas (GHG) and toxic air contaminant (TAC) spreadsheets [were] docketed confidentially with the California Energy Commission (CEC) on November 30, 2012." It has come to our attention, however, that Staff has not received the updated emissions spreadsheets. To address this issue, Applicant hereby files the emissions spreadsheets identified in Attachment A35-1, which are confidential in nature as described herein ("Confidential Record").

The Confidential Record is identical to emissions spreadsheets confidentially provided to the Sierra Club under the terms of a non-disclosure agreement. Specifically, on November 2, 2012, the Committee for the Project issued the *Committee Ruling on Intervenor Sierra Club's Motion To Compel Data Responses* that required Applicant to respond to Sierra Club Data Request No. 24. HECA had previously objected to Sierra Club Data Request No. 24 on the grounds that it called for business confidential information. In accordance with the Committee Ruling, Applicant and the Sierra Club entered into a non-disclosure agreement, dated December 5, 2012. In December 2012, in satisfaction of the Committee Ruling, and subject to the aforementioned non-disclosure agreement, Applicant provided the Sierra Club the emissions spreadsheets included as the Confidential Record in response to Sierra Club Data Request No. 24.

On behalf of the Applicant, we request that the entirety of the Confidential Record be permanently maintained as confidential by the CEC for the reasons described below. We present two independent bases for finding that the Confidential Record is confidential and exempt from

disclosure under the California Public Records Act: (1) California Government Code § 6254(k) (trade secrets); and (2) Government Code § 6254.15 (proprietary information).

**A. The Confidential Record is Confidential Under Gov. Code § 6254(k) as a Trade Secret**

The Applicant requests that the Confidential Record be designated confidential pursuant to California Government Code § 6254(k), which exempts trade secrets from disclosure under the California Public Records Act. Under controlling law expressed in *Uribe v. Howie*, 19 Cal. App. 3d 194, 206-207 (1971):

A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. (Emphasis added.)

To determine whether certain information is a trade secret, one must evaluate whether the matter sought to be protected is information (1) which is valuable because it is unknown to others, and (2) which the owner has attempted to keep secret. *Whyte v. Schlage Lock Co.*, 101 Cal. App. 4th 1443, 1454 (2002). The Confidential Record includes a valuable compilation of business confidential vendor data that is not available to the public.

Under CEC regulations, when requesting a trade secret be deemed confidential, an application must provide: 1) the specific nature of the advantage; 2) how the advantage would be lost; 3) the value of the information to the applicant; and 4) the ease or difficulty with which the information could be legitimately acquired or duplicated by others. *See* Title 20, California Code of Regulations, § 2505(a)(1)(D). Accordingly, the Applicant attests to the following:

- ***"The specific nature of the advantage"*** – The Confidential Record is maintained as confidential because of the sensitive technical nature of, and business value of, the business confidential vendor data, which establishes a business advantage over parties without access to the information.
- ***"How the advantage would be lost"*** – Time and resources have been spent compiling the information within the Confidential Record and the value of the business confidential vendor data could be significantly impaired if made available to the public because it contains sensitive technical and design information.
- ***"The value of the information to the applicant"*** – The Confidential Record is valuable to the Project because of the: (1) time and resources expended to compile the information; (2) efforts to maintain the confidentiality of the Confidential Record; and (3) use of the information to facilitate ongoing business activities.
- ***"The ease or difficulty with which the information could be legitimately acquired or duplicated by others"*** – The Confidential Record is not readily

available on the marketplace and can only be obtained with a significant investment of time and money. Thus, others could not easily acquire or duplicate this information.

For the reasons provided above, the Confidential Record is a trade secret under California law and qualifies for the exemption in Gov. Code § 6254(k).

**B. Government Code § 6254.15 – Proprietary Information**

Gov. Code § 6254.15 exempts the following types of information from disclosure under the California Public Records Act:

[C]orporate financial records, corporate proprietary information including trade secrets, and information relating to siting within the state furnished to a government agency by a private company for the purpose of permitting the agency to work with the company in retaining, locating, or expanding a facility within California.

The Confidential Record contains corporate proprietary business confidential vendor data and trade secrets that are being provided to the CEC related to locating a facility within California. Thus, the Confidential Record qualifies for the exemption under Gov. Code § 6254.15.

**C. Questionnaire: Application For Confidential Designation**

To further support Applicant's request, we provide responses to the CEC's questionnaire regarding applications for confidential designation:

1. *Title, date and description (including number of pages) of the record for which you request confidential designation.*

See description above of the Confidential Record.

2. *Specify the part(s) of the record for which you request confidential designation.*

Applicant requests confidential designation for the entire Confidential Record.

3. *State and justify the length of time the Commission should keep the record confidential.*

Applicant requests that the Confidential Record be kept confidential indefinitely to protect the trade secrets and proprietary information described above.

4. *State the provisions of the Public Records Act or other law that allows the Commission to keep the record confidential, and explain why the provision(s) apply to the record.*

We present independent bases for finding the Confidential Record confidential and exempt from disclosure under the California Public Records Act: (1) Gov. Code § 6254(k) (trade secrets); or (2) Gov. Code § 6254.15 (proprietary information). If the information in the Confidential Record is released to the public, the value and benefit of the trade secrets and proprietary information could be impaired.

5. *Discuss the public interest in nondisclosure of the record. If the record contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, please also state how it would be lost, the value of the information to the applicant, and the cost or difficulty with which the information could be legitimately acquired or duplicated by others.*

See description above in Section 1 regarding trade secrets. For the reasons provided above, the Confidential Record is a trade secret under California law and qualifies for the exemption in Gov. Code § 6254(k).

6. *State whether the record may be disclosed if it is aggregated with other information or masked to conceal certain portions (including but not limited to the identity of the applicant). State the degree of aggregation or masking required. If the data cannot be disclosed even if aggregated or masked, explain why.*

Applicant believes the CEC can incorporate a generalized summary of the information contained in the Confidential Record to properly describe the basis for its analysis without disclosing information specific enough to impair value of the trade secrets or proprietary information.

7. *State how the record is kept confidential by the applicant and whether it has ever been disclosed to a person other than an employee of the applicant. If it has, explain the circumstances under which disclosure occurred.*

The Applicant has not disclosed any of the subject confidential information to anyone other than its employees, attorneys, consultants, others working as part of the project application, or others with a specific need for the information.

#### **D. Summary of Basis For Confidentiality Request**

According to the CEC's regulations, an application for confidential designation "shall be granted if the applicant makes a reasonable claim that the Public Records Act or other provision of law authorizes the Commission to keep the record confidential." Title 14, California Code of Regulations, § 2505(a)(3)(A). The Applicant believes this letter establishes a reasonable claim for confidentiality based on the applicability of either Gov. Code § 6254(k) or Gov. Code § 6254.15.

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The Applicant requests that the entirety of the Confidential Record be kept confidential indefinitely to protect the trade secret and proprietary information within the Confidential Record. The Applicant requests that the Confidential Record not be disclosed even if aggregated with other information or redacted to conceal certain information. The Applicant has not disclosed any of the subject confidential information to anyone other than its employees, attorneys, consultants, others working as part of the project application before the CEC, or others with a specific need for the information.

I have been authorized to make this application and certification on behalf of the Applicant. With my signature to this letter, I certify under penalty of perjury that the information contained in this application for confidential designation is true, correct, and complete to the best of my knowledge.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mike Carroll", written in a cursive style.

Michael Carroll  
of LATHAM & WATKINS LLP

**STATE OF CALIFORNIA  
ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:

) Docket No. 08-AFC-08A  
)

REVISED APPLICATION FOR  
CERTIFICATION FOR THE HYDROGEN  
ENERGY CALIFORNIA POWER PLANT  
PROJECT ("HECA")  
\_\_\_\_\_)

) **PROOF OF SERVICE**  
)

) (December 24, 2012)  
)  
)

**APPLICANT**

**Marisa Mascaro**

SCS Energy LLC

30 Monument Square, Suite 235

Concord, MA 01742

[mmascaro@scsenergyllc.com](mailto:mmascaro@scsenergyllc.com)

**Tiffany Rau**

2629 Manhattan Avenue, PMB# 187

Hermosa Beach, CA 90254

[Trau@heca.com](mailto:Trau@heca.com)

**George Landman**

Director of Finance and Regulatory Affairs

Hydrogen Energy California, LLC

500 Sansome Street, Suite 750

San Francisco, CA 94111

[glandman@heca.com](mailto:glandman@heca.com)

**APPLICANT'S CONSULTANT**

**Dale Shileikis**

Vice President

Energy Services Manager

Major Environmental Programs

URS Corporation

One Montgomery Street, Suite 900

San Francisco, CA 94104-4538

[dale\\_shileikis@urscorp.com](mailto:dale_shileikis@urscorp.com)

HYDROGEN ENERGY CALIFORNIA PROJECT  
CEC Docket No. 08-AFC-08A

INTERESTED AGENCIES

**California ISO**  
[e-recipient@caiso.com](mailto:e-recipient@caiso.com)

**Marni Weber**  
Department of Conservation  
Office of Governmental and Environmental Relations  
(Department of Oil, Gas & Geothermal Resources)  
801 K Street MS 2402  
Sacramento, CA 95814-3530  
[Marni.Weber@conservation.ca.gov](mailto:Marni.Weber@conservation.ca.gov)

INTERVENORS

California Unions for Reliable Energy  
**Thomas A. Enslow**  
**Marc D. Joseph**  
Adams Broadwell Joseph & Cardozo  
520 Capitol Mall, Suite 350  
Sacramento, CA 95814  
[tenslow@adamsbroadwell.com](mailto:tenslow@adamsbroadwell.com)

**Tom Frantz**  
Association of Irrigated Residents  
30100 Orange Street  
Shafter, CA 93263  
[tfrantz@bak.rr.com](mailto:tfrantz@bak.rr.com)

**Andrea Issod**  
**Matthew Vespa**  
Kern-Kaweah Chapter  
Of the Sierra Club  
85 Second St, Second Floor  
San Francisco, California 94105  
[andrea.issod@sierraclub.org](mailto:andrea.issod@sierraclub.org)  
[matt.vespa@sierraclub.org](mailto:matt.vespa@sierraclub.org)

**Timothy O'Connor, Esq.**  
Environmental Defense Fund (EDF)  
1107 Ninth St., Suite 540  
Sacramento, CA 95814  
[toconnor@edf.org](mailto:toconnor@edf.org)

HYDROGEN ENERGY CALIFORNIA PROJECT  
CEC Docket No. 08-AFC-08A

**George Peridas**

Natural Resources Defense Council  
111 Sutter Street, 20th Fl.  
San Francisco, CA 94104  
[gperidas@nrdc.org](mailto:gperidas@nrdc.org)

**Benjamin McFarland**

Kern County Farm Bureau, Inc.  
801 South Mt. Vernon Avenue  
Bakersfield, CA 93307  
[bmcfarland@kerncfb.com](mailto:bmcfarland@kerncfb.com)

**Chris Romanini**

HECA Neighbors  
P.O. Box 786  
Buttonwillow, CA 93206  
[roman93311@aol.com](mailto:roman93311@aol.com)

ENERGY COMMISSION – PUBLIC ADVISOR

**Jennifer Jennings**

Public Adviser's Office  
CALIFORNIA ENERGY COMMISSION  
E-mail preferred  
[publicadviser@energy.ca.gov](mailto:publicadviser@energy.ca.gov)

OTHER ENERGY COMMISSION PARTICIPANTS

(Listed for convenience only. After docketing, the Docket Unit will provide a copy to the persons listed below):

**Karen Douglas**

Commissioner and Presiding Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[karen.douglas@energy.ca.gov](mailto:karen.douglas@energy.ca.gov)

**Andrew McAllister**

Commissioner and Associate Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[andrew.mcallister@energy.ca.gov](mailto:andrew.mcallister@energy.ca.gov)



HYDROGEN ENERGY CALIFORNIA PROJECT  
CEC Docket No. 08-AFC-08A

**Raoul Renaud**

Hearing Advisor  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[raoul.renaud@energy.ca.gov](mailto:raoul.renaud@energy.ca.gov)

**Eileen Allen**

Commissioner's Technical Advisor  
For Facility Siting  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[eileen.allen@energy.ca.gov](mailto:eileen.allen@energy.ca.gov)

**Galen Lemei**

Advisor to Presiding Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[galen.lemei@energy.ca.gov](mailto:galen.lemei@energy.ca.gov)

**Jennifer Nelson**

Advisor to Presiding Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[jennifer.nelson@energy.ca.gov](mailto:jennifer.nelson@energy.ca.gov)

**David Hungerford**

Advisor to Associate Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[david.hungerford@energy.ca.gov](mailto:david.hungerford@energy.ca.gov)

**Patrick Saxton**

Advisor to Associate Member  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[patrick.saxton@energy.ca.gov](mailto:patrick.saxton@energy.ca.gov)

HYDROGEN ENERGY CALIFORNIA PROJECT  
CEC Docket No. 08-AFC-08A

**Robert Worl**

Project Manager  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[robert.worl@energy.ca.gov](mailto:robert.worl@energy.ca.gov)

**John Heiser**

Associate Project Manager  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[john.heiser@energy.ca.gov](mailto:john.heiser@energy.ca.gov)

**Lisa De Carlo**

Staff Counsel  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814-5512  
[lisa.decarlo@energy.ca.gov](mailto:lisa.decarlo@energy.ca.gov)

**DECLARATION OF SERVICE**

I, Paul Kihm, declare that on January 8, 2013, I served and filed copies of the attached:

**APPLICATION FOR CONFIDENTIAL DESIGNATION**

to all parties identified on the Proof of Service List above in the following manner:

**California Energy Commission Executive Director (with confidential submittal)**

- ☒ Transmission by depositing the original plus five copies with FedEx overnight mail delivery service at Costa Mesa, California, with delivery fees thereon fully prepaid and addressed to the following:

**Mr. Robert Oglesby**  
Executive Director  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
Sacramento, California 95814

**California Energy Commission Docket Unit (without Confidential Submittal)**

- ☒ Transmission via electronic mail to:

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1516 Ninth Street, MS-4  
Sacramento, California 95814-5512  
[docket@energy.ca.gov](mailto:docket@energy.ca.gov)

**For Service to All Other Parties (without Confidential Submittal)**

- ☒ Transmission via electronic mail to all email addresses on the Proof of Service list.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 8, 2013, at Costa Mesa, California.

  
\_\_\_\_\_  
Paul Kihm