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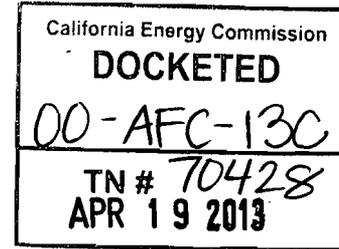
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April 18, 2013

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VIA PERSONAL DELIVERY

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



**Re: Huntington Beach Generating Station (00-AFC-13C)
Application for Designation of Confidential Records**

Dear Mr. Oglesby:

On behalf of AES Huntington Beach, LLC, we submit this application for Designation of Confidential Records ("Application") with respect to information regarding the Huntington Beach Generating Station Units 3 & 4 ("HBGS"). This Application requests confidential designation of records under Title 20, California Code of Regulations, section 2505(a). AES Huntington Beach, LLC understands that, pursuant to Title 20, California Code of Regulations, sections 2505(a)(2), 2505 (a)(3)(B), and 2507(b), the attached information will not be publicly disclosed while this Application, or any appeal of the California Energy Commission's (the "Commission") determination on such Application, is pending.

AES Huntington Beach, LLC provides the following in support of this Application:

(a) Description/Separation of the Submitted Information

The records, identified as "Enclosure A" submitted under seal with this Application and marked "Confidential" (hereinafter "Submitted Information"), is the subject of this Application. The Submitted Information are proprietary records related to the installation of key equipment at HBGS pursuant to the Notice of Decision by the Commission Approving Order to Convert the Existing Units 3 and 4 to Synchronous Condensers and are the subject of a nondisclosure agreement with the equipment manufacturer. The record constitutes proprietary and trade secret information pursuant to California law, as further discussed below.

(b) Specific Indication of Those Parts of the Submitted Information to be Kept Confidential



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AES Huntington Beach, LLC requests the Commission designate the Submitted Information as confidential in its entirety.

(c) The Length of Time the Submitted Information Should be Kept Confidential

Due to the proprietary and trade secret nature of the Submitted Information, AES Huntington Beach, LLC requests the Submitted Information be kept confidential in perpetuity.

(d) Provisions of Law Allowing the Commission to Keep the Submitted Information Confidential

The Submitted Information is a trade secret under California law and the Commission should, therefore, maintain its confidentiality pursuant thereto.

A trade secret is information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. (Civ. Code § 3426.1(d).) 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.* (2002) 101 Cal.App.4th 1443, 1454.) A company's propriety equipment information is recognized by California courts as a trade secret. (*Id.* at 1455-1456.)

The Submitted Information is a trade secret under the above standards. The Submitted Information pertains to strategic equipment installation activities that derive independent economic value from not being disclosed to the public or competitors. The Submitted Information is also subject to a nondisclosure agreement between AES Huntington Beach, LLC and Siemens, the equipment manufacturer. The information is valuable to Siemens because it has been developed by Siemens for the purpose of deriving economic value to Siemens and, if released, the value would be diminished and Siemens would experience a loss of competitive advantage. AES Huntington Beach, LLC and Siemens' strategic installation activities derive independent economic value from not being disclosed to the public or to competitors. Given these facts, the Submitted Information is a trade secret and, pursuant to its nondisclosure agreement with Siemens, AES Huntington Beach, LLC therefore seeks confidential treatment thereof.



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In addition to the foregoing, Government Code section 6254.15 exempts corporate proprietary information, including trade secrets, from disclosure under the California Public Records Act ("PRA"). Government Code section 6255 also permits public agencies to withhold any public record where the public interest served by not disclosing the record outweighs the public interest served by disclosure of the record. These provisions govern the Commission's treatment of the Submitted Information in relation to a PRA request. Both Government Code section 6254.15 and section 6255 allow the Commission to protect the Submitted Information from disclosure to the public. First, as a trade secret, the Submitted Information is protected from disclosure under section 6254.15. In addition, pursuant to section 6255, the public interest is best served by keeping information related to AES Huntington Beach, LLC's proprietary installation processes confidential due to the need to protect the equipment manufacturer's competitive advantage.

The Submitted Information, presented in a sealed envelope concurrently herewith, may be opened only if the Executive Director determines it can be designated confidential pursuant to the aforementioned provisions. We request that the Executive Director provide the Submitted Information to Bruce Boyer, the CBO, as soon as possible, in a manner that will maintain confidentiality of the information. We understand that the Submitted Information will remain confidential during the pendency of this application pursuant to Title 20 California Code of Regulations, section 2507(b). If the Executive Director determines the Submitted Information does not qualify for confidential treatment, AES Huntington Beach, LLC requests that all copies of the Submitted Information be returned to this office.

(e) Aggregation and Masking of the Submitted Information

The Submitted Information has been distilled from the broader business strategy that AES Huntington Beach, LLC has developed and represents the maximum extent to which the information can be aggregated and masked.

(f) The Submitted Information is Presently Confidential

The Submitted Information has been developed by Siemens and provided to AES Huntington Beach, LLC pursuant to a nondisclosure agreement. AES Huntington Beach, LLC is party to a nondisclosure agreement with Siemens regarding the Submitted Information. Besides Siemens, AES Huntington Beach, LLC has not disclosed the Submitted Information to anyone other than its employees, affiliate employees, consultants, and attorneys assisting AES Huntington Beach, LLC in its efforts to complete the synchronous condenser installation. Furthermore, AES Huntington Beach, LLC has not released any of the Submitted Information to any member of the



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public and has prohibited its employees, affiliate employees, consultants, and attorneys from releasing any portion of the Submitted Information to the public at any time.

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. As attorney for AES Huntington Beach, LLC, I am authorized to make this certification and submit this Application on behalf of AES Huntington Beach, LLC.

Dated: 4-18-13

Stoel Rives LLP

By: 

Kristen T. Castaños