

May 13, 2013

Karen Douglas, Commissioner, Presiding Member
Robert B. Weisenmiller, Commissioner, Associate Member
California Energy Commission
1516 Ninth Street, MS 15
Sacramento, CA 95814-5512



Subject: SUN VALLEY ENERGY PROJECT (05-AFC-3)
Extension Request for Suspension

Dear Commissioners Douglas and Weisenmiller:

Pursuant to the terms of the Commission's Order Reinstating Suspension dated June 20, 2012, Valle Del Sol Energy, LLC respectfully submits this request for an additional one-year suspension. The Sun Valley Energy Project (SVEP) is a 500-megawatt natural gas-fired peaker plant that will be located in the City of Menifee, California. The current suspension order will expire on June 30, 2013.

The SVEP is an excellent location for peaking power generation because of the convergence of required infrastructure. The site is located on 50 acres of former farm land 30 yards southwest of the Valley Substation and will feature five General Electric LMS-100 gas turbines. The SVEP would interconnect with the existing 115 kV system, and we are currently proceeding with the Facility Study and expect updated results before this summer. In addition to proximity to the Valley substation, the SVEP site is adjacent to high-pressure natural gas transmission lines and recycled water supply, and an industrial wastewater discharge line is less than a mile away. Also, the land use designation for the project is light industrial and prior review by CEC staff in the Preliminary Staff Assessment concluded:

*"... the project as conditioned by **LAND-1** would ensure that the SVEP would be compatible in scale and design with surrounding land uses."*¹

Edison Mission Energy's team is just completing the 500 MW LMS 100 Walnut Creek Energy Park (WCEP) in the City of Industry to meet summer 2013 demand in southern California. The proposed SVEP has many of the same siting advantages for peaking power generation plant as the WCEP as well as an experienced team that has demonstrated capability to resolve the complex emission offset policy issues in the South Coast Air Quality Management District (SCAQMD) at WCEP, and successfully construct 500 MWs of peaking generation.

The California Public Utility Commission issued a decision authorizing long-term procurement for local capacity requirements in southern California, and Southern California Edison is expected to issue a

¹ CEC Preliminary Staff Assessment, Sun Valley Energy Project Application for Certification 05-AFC-3, p. 4.5-6, <http://www.energy.ca.gov/2007publications/CEC-700-2007-009/CEC-700-2007-009-PSA.PDF>

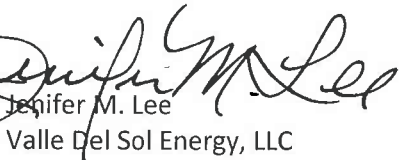
VALLE DEL SOL ENERGY, LLC

procurement plan and request for offers in the third quarter of 2013. The SVEP would support integration of increasing levels of generation from renewable resources including wind and solar with its quick start (10 minutes) and fast ramping capability. Construction of SVEP would contribute 500 MWs of capacity to the required 1726-1889MW LCR (Local Capacity Requirement) in the Valley-Devers Sub-Area as published in the CAISO's 2014 Local Capacity Technical Analysis report.

Although obtaining the required emission reduction credits (ERCs) in the SCAQMD continues to be a barrier to advancing the licensing of SVEP, Edison Mission Energy is committed to the project. We own the site and have invested considerably in advancing SVEP through the CEC licensing process. We are also continuing to advance the Facility Study. We are monitoring the PM₁₀ and SO_x ERC shortage that is affecting the entire SCAQMD region, and we remain committed to working with the Commission and SCAQMD to identify a solution that will allow SVEP to advance to construction.

Please contact me if you have addition questions about this request or if you would like additional information. Thank you very much for your consideration and ongoing support for this application.

Sincerely,



Jennifer M. Lee
Valle Del Sol Energy, LLC

CC: Service List
Jane Luckhardt, Downey Brand



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**APPLICATION FOR CERTIFICATION FOR THE
SUN VALLEY ENERGY PROJECT**

Docket No. 05-AFC-03
PROOF OF SERVICE
(Revised 2/11/13)

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*After docketing, the Docket Unit
will provide a copy to the
persons listed below. **Do not
send copies of documents to
these persons unless specifically
directed to do so.***

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*indicates change

