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August 4, 2009

KIMBERLY HELLWIG  
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**VIA HAND DELIVERY**

Mike Monasmith, Siting Project Manager  
California Energy Commission  
1516 Ninth Street, MS-15  
Sacramento, CA 95814

**Re: Carlsbad Energy Center Project (07-AFC-6)  
Correspondence from Applicant to City of Del Mar**

Dear Mr. Monasmith:

On behalf of Carlsbad Energy Center, LLC ("Applicant"), please find enclosed for docketing Applicant's correspondence to the Honorable Crystal Crawford, Mayor of the city of Del Mar regarding the proposed Carlsbad Energy Center Project.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kimberly J. Hellwig".

Kimberly J. Hellwig  
Paralegal

Enclosure

cc: See Attached Proof of Service List  
The Honorable Crystal Crawford, Mayor, City of Del Mar

## Carlsbad Energy Center LLC

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July 31, 2009

The Honorable Crystal Crawford  
Mayor, City of Del Mar  
1050 Camino Del Mar  
Del Mar, California 92014

Subject: Proposed Carlsbad Energy Center Project

Dear Mayor Crawford:

On behalf of NRG Energy Inc. (NRG), I'd like to express disappointment that the City of Del Mar took action to oppose the proposed Carlsbad Energy Center Project (CECP) to be located in an existing industrial corridor at the Encina Power Station between Interstate 5 (I-5) and the railroad right-of-way in the City of Carlsbad. The City of Del Mar's action is all the more troubling in that it was based solely on a presentation from the City of Carlsbad and without any input from NRG. This action denied council members and your citizens factual information about this critical, regional infrastructure project that would have provided balance to the discussion and, we think, may have produced a different result.

One of the primary purposes of repowering the Encina Power Station is to reduce greenhouse gas emissions significantly. Even though the electric generating equipment at the Encina Power Station dependably provides energy security to San Diego County and is expected to operate for many years into the future, it has long been NRG's goal to replace existing steam boilers at the Station with more efficient state-of-the art generating equipment.

Since most renewable generating technologies run intermittently, the utilities and California Independent System Operator (CAISO) rely on natural gas generators to be available to maintain power supply levels. The replacement equipment proposed for the Encina Power Station would provide rapid response generators capable of being on-line within ten minutes (rather than 10 hours), and producing substantially more electricity for the same volumes of natural gas, 80% cleaner than the existing generating plant. Our project addresses marine concerns by eliminating the use of sea water for cooling purposes (i.e., a process known as once-through cooling). In short, the project represents a major improvement in all respects to the environment and addresses the pressing demand for more electrical generation in San Diego County.

The California Energy Commission (CEC) will address the land use issues raised by your letter in consultation with CalTrans and the City of Carlsbad. The infrastructure that exists for the Encina Power Station cannot be duplicated without an enormous cost to SDG&E electric and natural gas customers. The CECP will begin the process of relocating the Station's generating equipment that has existed on site for decades to the back part of the

property, between I-5 and the railroad right-of-way. This is a significant first step towards creating other uses on the property that may be more compatible with the coastal feel of Carlsbad.

We believe that the visual concerns raised by some neighbors and the City of Carlsbad will be fully mitigated by the requirements of the CEC in cooperation with CalTrans. The natural barriers that have concealed the huge oil storage tanks (that will be removed as part of the project) from freeway users and neighborhoods will either be maintained or replaced with sensitivity to visual concerns. Conversion of the Encina Power Station property to uses consistent with a coastal community and tourist destination can only begin with phased replacement of the old Encina Power Station.

The CEC has exclusive jurisdiction over land use for large electric generating facilities, including this project. In December 2008, CEC staff released its Preliminary Staff Assessment which found that the proposed site is the preferred location and that the CECP would reduce environmental impacts and energy consumer costs while meeting regional needs for new electrical generating resources. An extensive search for an alternate site, including sites suggested by the City of Carlsbad located no acceptable alternative site(s), especially sites that would provide access to existing electric and gas transmission lines and full use of available air emissions credits. CEC staff is expected to issue its Final Staff Assessment in late August 2009, reaching the same conclusions on land use.

Prior to 2008, the City of Carlsbad and NRG had worked cooperatively to plan the replacement of the existing Encina Power Station with a more efficient facility within the above-mentioned industrial corridor zoned for public utility uses. We regret that the City changed its position, but we feel it is our responsibility to the California grid and the energy consuming public in the San Diego region to complete the CECP. We are confident that the City will recognize the positive benefits of the CECP as designed and that the CEC will ensure that the project is completed in a manner that mitigates potential environmental impacts and accounts for the proposed I-5 widening. As CalTrans wrote in a February 2009 letter to the CEC regarding these important infrastructure projects, "the needs of both facilities can be accommodated." And as we've stated, this project will lead to the eventual retirement of the rest of the Encina Power Station – a mutual goal shared with the City of Carlsbad.

A *North County Times* editorial on January 7, 2009, says it best: "The quickest, best way for the City of Carlsbad to see redevelopment of beachfront land that is now home to a power plant is the very proposal against which the city is waging a public relations campaign." The CECP also received a strong editorial in support from the San Diego Union-Tribune in August 2008 and enjoys the support of the San Diego Regional Chamber of Commerce and the San Diego Regional Economic Development Corporation.

Honorable Mayor Crawford  
City of Del Mar  
July 31, 2009  
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We hope you will reconsider your judgment that the CECP is “deeply flawed.” We invite you, City of Del Mar Council members, and staff to visit the property. For more information please contact me at (760) 710-2156 or visit [www.carlsbadenergycenter.com](http://www.carlsbadenergycenter.com). I am available to meet with you or your staff at your convenience to discuss the project and address any additional questions or concerns you might have about the project.

Sincerely,

A handwritten signature in black ink, appearing to read "George L. Piantka". The signature is written in a cursive style with a large, prominent initial "G".

George L. Piantka  
Director, Environmental Business – West Region  
NRG Energy, Inc.

cc: CA Energy Commission, Docket 07-AFC-06

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](http://WWW.ENERGY.CA.GOV)

APPLICATION FOR CERTIFICATION  
FOR THE CARLSBAD ENERGY  
CENTER PROJECT

Docket No. 07-AFC-6  
PROOF OF SERVICE  
(Revised 7/07/2009)

Carlsbad Energy Center LLC's  
Correspondence from Applicant City of Del Mar

CALIFORNIA ENERGY COMMISSION  
Attn: Docket No. 07-AFC-6  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512  
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**APPLICANT**

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**DECLARATION OF SERVICE**

I, Elizabeth Hecox, declare that on August 4, 2009, I deposited copies of the aforementioned document in the United State mail at 980 Ninth Street, Suite 1900, Sacramento, California 95814, with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

**OR**

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, Title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

  
Elizabeth Hecox