

August 25, 2010

Commissioner Karen Douglas, Presiding Member and Chair
Commissioner Anthony Eggert, Associate Member
Hearing Officer Kourtney Vaccaro
Almond 2 Power Plant Project (09-AFC-2)
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

DOCKET

09-AFC-2

DATE AUG 25 2010

RECD. AUG 25 2010

Re: **Almond 2 Power Plant Project: Request to Schedule Hearings**

Dear Commissioner Douglas, Commissioner Eggert, and Hearing Officer Vaccaro:

I am writing on behalf of the elected Board of Directors of the Turlock Irrigation District (the "District") and our ratepayer-owners to urge the Commission to set a schedule for the remainder of this proceeding, including a date certain for Evidentiary Hearings.

The matter is ready to be heard. There are few, if any, remaining issues and a high likelihood that there will be no disputed issues between the Parties. The District is prepared to file testimony by September 10th, and we are prepared to participate in hearings on September 24th.

The project will need only a single day of hearings, combining the Prehearing Conference and Evidentiary Hearings. We expect no "live" witness testimony, either because we will have entered into a stipulation with Staff on all issues (our preferred outcome) or there will be no issue of fact in dispute on any outstanding issues. In the interim, even during our testimony preparations, we are willing to meet with staff to resolve the remaining minor issues, (language changes to clarify Conditions CUL-1, CUL-2, CUL-3, and LAND-2).

The District will also file briefs and other materials to minimize the load on the Hearing Office for production of a PMPD. The Marsh Landing proceeding offers a good model for the Applicant to provide relief to the Committee and the Hearing Office.

The potential for delay is already adding costs for the District's ratepayer owners without any benefit. For example, the District must either pay manufacturers' exorbitant "storage" fees to hold equipment deliveries or accept delivery of equipment that would otherwise be delivered directly to an approved project's laydown area. The manufacturers have every incentive to move completed project components out of their manufacturing facilities and thus require costly storage fees to hold equipment on site. As an alternative to paying manufacturers' storage fees, the District can arrange for, and pay for, storage of project components at other sites. Significantly, the manufacturers' warranties will in most cases begin to run from the delivery date of project components to off-site storage facilities. Thus, manufacturers' warranties, which are of significant value, will begin to run despite the fact that the District cannot begin construction. In addition to the District's ongoing costs associated with the storage and other procurement activities, the greater community in the Central Valley is being denied the direct and indirect economic benefits associated with the construction of the A2PP project. At peak, A2PP will provide

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approximately 200 high-paying construction and related jobs that will in turn have a “multiplier effect,” stimulating the regional economy and ensuring desperately needed economic stability for families across the Central Valley.

We understand the Commission’s resource constraints, given the looming ARRA deadline. Please also understand that the District has recently invested substantially in new renewable resources and that the A2PP Project is necessary to ensure the diversity of the District’s resource mix and will provide needed operational flexibility to ensure the continued reliability of the system. As we have commented throughout this licensing proceeding, the A2PP is wholly consistent with the Commission and the District’s admirable, shared focus on renewable energy. The A2PP is an integral piece in the District’s integrated resource plan that includes the District achieving a twenty-eight percent (28%) Renewable Portfolio Standard (RPS). The Project will enable the District to contribute to resolving the regulation requirements imposed on the grid by intermittent resources such as wind. The Project will also be able to perform load following duties and provide operating reserves, functions currently provided by TID’s Walnut Energy Center. The A2PP generating units are fast-starting, load-following peaking units that once operational will enable the Walnut Energy Center to operate more efficiently. Moreover, the Project’s fast-starting, load-following peaking units provide much needed operating reserves that help maintain the reliability of District’s Balancing Authority and will also work cooperatively with neighboring Balancing Authorities like the California Independent System Operator (CAISO) and Sacramento Municipal Utility District (SMUD) to the benefit of all Californians.

The A2PP Application, filed with the Commission on May 11, 2009 and deemed Data Adequate on July 1, 2009, needs the Commission’s further attention to prevent harm to the District’s ratepayer owners.

On behalf of the District’s elected Board of Directors and the District’s ratepayer owners that they represent, I respectfully request that you set the remainder of the schedule for this proceeding and schedule a single day of hearings for September 24th.

Sincerely,



Casey Hashimoto
Interim General Manager



STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

In the Matter of:)
) Docket No. 09-AFC-2
Application for Certification for the TID)
Almond 2 Power Plant)
)
)
_____)

PROOF OF SERVICE

I, Karen A. Mitchell, declare that on August 25, 2010 I served copies of the attached *Letter from Turlock Irrigation District dated August 25, 2010 Regarding: Request to Schedule Hearings* by email and U.S. Mail to each party on the attached service list.

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



Karen A. Mitchell



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

**APPLICATION FOR CERTIFICATION
FOR THE TID ALMOND 2
POWER PLANT PROJECT**

Docket No. 09-AFC-2

**PROOF OF SERVICE
(Revised 7/30/10)**

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