CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov

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The Honorable Donald P. Freitas
Mayor, City of Antioch
Third & "H" Streets
Antioch, CA 94509

Dear Mayor Freitas:

On May 30, 2008, the California Energy Commission received an Application for Certification (AFC) from Mirant Marsh Landing, LLC (Mirant) for the Marsh Landing Generating Station (MLGS). The proposed MLGS project would consist of natural gas fired electric generation facilities and ancillary systems including electric and gas transmission lines; water and wastewater pipelines; and a water treatment facility at the Delta Diablo Sanitation District (DDSD) Bridgehead Lift Station (BLS). The MLGS facility is proposed for a 27-acre site in Contra Costa County, California, north of the City of Antioch and currently occupied by five fuel storage tanks within Mirant's existing Contra Costa Power Plant site. If approved, construction of the new power plant is expected to occur over a 33-month period (October 2009 through June 2012), and is expected to cost approximately $800 million.

The MLGS project would have a nominal electrical output of 930 megawatts (MW) generated from four power blocks: two Siemens Flex Plant 10 (FP10) combined-cycle units; and two Siemens 500F combustion turbine units operating in simple-cycle mode. The generators would be interconnected to the existing Pacific Gas & Electric Company (PG&E) switchyard located adjacent to the MLGS site. The MLGS would use natural gas that would be delivered via a new pipeline that connects to PG&E's interstate gas transmission Line 400, which runs along the eastern boundary of the Gateway Generating Station (GGS), immediately east of the PG&E switchyard. The MLGS FP10 units would use air-cooled heat exchanger technology to reduce consumptive water use. New water treatment facilities would be constructed at Mirant's expense by DDSD at their 3.4-acre BLS site and owned and operated by DDSD. Approximately 736 acre feet per year of recycled water from the BLS site would be delivered to the MLGS site, and associated wastewater returned, via new 1-mile-long water lines.

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines and natural gas and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act. The Energy Commission's analysis produces several environmental and decision documents rather than an Environmental Impact Report.

On September 24, 2008, the AFC for the Marsh Landing Generating Station was deemed data adequate by the California Energy Commission and our staff will now begin the discovery and analysis phases of our permitting process. Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the Marsh Landing Generating Station should be approved for construction and operation and under what set of conditions. These workshops and hearings will provide the public and local,

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state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the events.

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission. To achieve this objective, the Energy Commission has sent copies of the AFC to several City of Antioch departments, including planning, public works, engineering, water, zoning and building inspection, requesting that staff within these offices review and comment on any appropriate components of this document and assists our staff in the certification process. Under Energy Commission guidelines, local agencies may seek reimbursement for costs incurred in responding to these requests.

If your constituents would like to participate in the Energy Commission's review of the project, they should contact the Energy Commission's Public Adviser, Elena Miller, at (916) 654-4489 or toll free in California, at (800) 822-6228, or by email at PAO@energy.state.ca.us. If you or your staff have technical or project schedule questions, or if you would like additional information on reimbursement or on how the City may participate in the Energy Commission's review of the project, please contact Mike Monasmith, Project Manager, at (916) 654-8494, or by email at: mmonasmi@energy.state.ca.us. The status of the project, copies of notices, an electronic version of the AFC, and other relevant documents are available on the Energy Commission's Internet web site at: http://www.energy.ca.gov/sitingcases/marshlanding. Your staff and constituents can also subscribe to receive e-mail notification of all notices at: http://www.energy.ca.gov/listservers/index.html.

Sincerely,

MELISSA JONES
Executive Director