3.0 DEMAND CONFORMANCE

The California Energy Commission is no longer required to determine whether or not a proposed project conforms with an integrated assessment of electrical demand or need. Senate Bill 110 (California Construction Articles 4, Section 8), which took effect on January 1, 2000, states:

> *Before the California electricity industry was restructured, the regulated cost recovery framework for generating facilities justified requiring the commission to determine the need for new generation, and site only generating facilities for which need was established. Now that generating facility owners are at risk to recover their investments, it is no longer appropriate to make this determination.*

Accordingly, this AFC does not include an assessment of need.

Russell City Energy Center AFC

May 2001