

**THE UTILITY REFORM NETWORK**

115 Sansome Street, Suite 900  
San Francisco, CA 94104

July 13, 2009

Jeffrey D. Byron, Presiding Member  
Karen Douglas, Associate Member  
Siting Committee  
California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814

Dear Committee Members Byron and Douglas:

The Utility Reform Network (TURN) appreciates this opportunity to participate by letter in the July 20, 2009 hearing to determine whether Pacific Gas and Electric Company (PG&E) has established good cause to receive an extension of the license for the Tesla Power Project. For over 30 years, TURN has advocated on behalf of utility consumers, saving millions of dollars for ratepayers while demanding reliable service and environmentally sound practices.

As the voice of small utility customers, TURN urges the Commission to grant PG&E's request for extension, for several reasons. First and foremost, TURN believes that the location of the Tesla site is extremely valuable for Bay Area consumers. Since the site is within the Bay Area load center, the Tesla Power Project license holds significant potential Resource Adequacy value and other locational benefits. Furthermore, a significant amount of the State's resources were devoted to initially granting the Tesla permit. Denying PG&E's request for an extension would waste the considerable analysis and effort that went into permitting a potential site that is located in a priority load center, at a time when state resources are already stretched thin.

Second, extension of the Tesla license will serve as insurance against the potential failure of other planned projects, and other circumstances that could threaten Bay Area and Central Valley reliability. Extending the Tesla option also helps to foster a hybrid generation market, whereby independent power producers and utilities compete to provide the lowest possible prices for consumers.

TURN believes there is good cause for the Commission to extend PG&E's Tesla license. The location, prior effort, and competitive signal the permit represents are valuable to ratepayers at this time, regardless of who holds the license. Indeed, the project has already changed hands once and may do so again in the future. TURN sees no reason not to preserve this valuable asset for the benefit of future ratepayers in northern and central California.

Sincerely,

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/s/

Michel Peter Florio  
Senior Attorney