

CITY OF HAYWARD

HEART OF THE BAY

May 31, 2007

William Pfanner, Project Manager
Energy Facilities Siting Division
California Energy Commission
1516 Ninth Street
Sacramento, CA 94814-5512

DOCKET 01-AFC-7C
DATE JUN 01 2007
RECD. JUN 01 2007

06-AFC-6

Dear Mr. Pfanner:

This is in response to your letter dated May 14 seeking comments from the City relative to the feasibility of locating the proposed Eastshore Energy facility on City-owned land "adjacent to the new RCEC [Russell City Energy Center]. In a very literal sense, there is no City-owned land available adjacent to the RCEC on which to construct another facility. This is the case because adjacent to RCEC to the west are a series of oxidation ponds used in the wastewater treatment process while to the east of the RCEC is the wastewater treatment plant itself.

Having said that, to the east of the wastewater plant is City-owned property comprising approximately 5.3 acres. The property is currently utilized as a temporary transfer station to hold debris and other material removed from city streets before it is hauled to a disposal site in San Leandro. Over the long term, this site has also been identified as a possible location on which to undertake limited organic recycling operations. In the meantime, it should be noted that under contract to RCEC LLC, the City has agreed to allow this site to be used for storage of construction material and equipment or as a parking lot while the RCEC is under construction. Moreover, it has been reported that the proposed construction timetables for RCEC and Eastshore overlap, creating significant logistical and scheduling conflicts.

A number of months ago, City staff discussed with Tierra Energy representatives whether this site would be suitable for the Eastshore Energy Center. Tierra Energy responded in the negative citing a number of reasons. According to Tierra Energy, the site is too small (it seeks a minimum six-acre parcel), and that the dimensions of the parcel are inadequate for its needs. The parcel is also traversed by an overhead transmission line, which according to Tierra Energy significantly reduces the useable area of the parcel. Tierra Energy representatives also indicated that relocating the transmission line is cost-prohibitive.

In light of the contractual obligations to RCEC LLC and in consideration of the comments expressed by Tierra Energy, the only City-owned property in proximity to RCEC is not available for use by the Eastshore Energy Center.

Very truly yours,


Jesús Armas
City Manager

PROOF OF SERVICE (REVISED 5/1/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 6/4/07

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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION
FOR THE EASTSHORE ENERGY CENTER
IN HAYWARD
BY TIERRA ENERGY OF TEXAS

Docket No. 06-AFC-6

PROOF OF SERVICE
(Revised 5/1/07)

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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Attn: Docket No. 06-AFC-6
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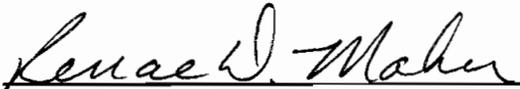
DECLARATION OF SERVICE

I, Renae Maher, declare that on June 04, 2007, I deposited copies of the attached Response to Letter Dated May 14, 2007, re: Comments from City of Hayward about Feasibility of Eastshore Location in the United States mail at Sacramento, California 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 the 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.



Renae Maher