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California State Senate

SENATOR MARK LENO

THIRD SENATORIAL DISTRICT



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September 10, 2009

By fax to 916-673-7985

Mr. Mason Willrich Chair, Board of Governors California ISO 151 Blue Ravine Road Folsom, CA 95630

Re: September 11 meeting Agenda Item Number 5 re: RMR Contracts

Dear Chair Willrich and Governors,

I am writing to ask the Board to carefully consider the concerns of community and environmental groups on the issue of continued operation of the Potrero Power Plant when it considers the proposed Decision on Conditional Approval to Extend Existing Reliability Must-Run Contracts for 2010.

The community in which the Potrero Plant is located has borne a heavy burden for far too long. Given the repeated findings of a shrinking "reliability" gap, the City's recommended partial plant shutdown by the end of 2009 and Mirant's recent agreement to close the plant by the end of 2010, it is important that the board incorporate enough flexibility into its decision to allow the plant to operate at no more than the minimum level necessary, and for no longer than is absolutely necessary.

Less than one month ago, on August 13, 2009, the Mirant Corporation signed an agreement with the City and County of San Francisco to close most of the 362-megawatt gas-burning Potrero Power Plant ("Plant") by the end of this year and to shut the Plant entirely by the end of 2010. This agreement was the result of over a year of work by numerous individuals and organizations to reach an agreement to close this aging and polluting plant, and was based on compelling evidence that the city no longer needs the plant for reliability purposes.

The September 2 recommendation by CallSO management that the Board grant ISO management the authority to keep a contract in place suggests a mandate to

operate the entire Plant through at least the end of 2010. To disregard the recent agreement and keep the Plant operating at full output would be a disservice to the entire City of San Francisco, but especially to the Bayview-Hunters Point community which has lived for too long with the pollution this plant produces.

Thank you for your consideration of this issue and please do not hesitate to contact me if you have any questions.

Sincerely,

Mark Leno

Senator, 3rd District

cc: Board members Linda Capuano, Laura Doll, and Tom Page