

STATE CAPITOL  
ROOM 3070  
SACRAMENTO, CA 95814  
(916) 651-4004

5800 STANFORD RANCH ROAD  
SUITE 720  
ROCKLIN, CA 95765  
(916) 435-0744

1550 MYERS STREET  
SUITE C  
OROVILLE, CA 95965  
(530) 532-5860

2885 CHURN CREEK ROAD  
SUITE C  
REDDING, CA 96002  
(530) 225-3142

1080 MASON MALL  
SUITE 4  
CRESCENT CITY, CA 95531  
(707) 464-1255

# California State Senate

SENATOR  
DOUG LA MALFA  
FOURTH SENATE DISTRICT



COMMITTEES

NATURAL RESOURCES & WATER  
VICE-CHAIR

ELECTIONS & CONSTITUTIONAL  
AMENDMENTS  
VICE-CHAIR

AGRICULTURE

BUDGET & FISCAL REVIEW

GOVERNANCE & FINANCE

JOINT LEGISLATIVE AUDIT

JOINT FAIRS, ALLOCATIONS &  
CLASSIFICATIONS  
CHAIR

December 16, 2011

*By E-Mail and Electronic Submission ([ppettingill@caiso.com](mailto:ppettingill@caiso.com))*

California Independent System Operator  
P. O. Box 639014  
Folsom, CA

**Re: Support - Basis and Need for Capacity Procurement Mechanism Designation of Sutter Energy Center**

Dear Mr. Pettingill:

The California ISO Report on Basis and Need for CPM Designation for Sutter Energy Center dated December 6<sup>th</sup>, 2011, has come to our attention. As state and local representatives of Sutter County where the Sutter Energy Center (SEC) is located, we are writing to offer our full support for your plan, including seeking a FERC waiver, to designate the SEC as capacity at risk of retirement in 2012, pursuant to the provisions of the CAISO Tariff regarding the Capacity Procurement Mechanism (CPM).

The Sutter Energy Center is a vital contributor to the local economy providing employment for 26 residents with an annual payroll of \$3million and generating over \$2.6 million in annual property tax revenue. Calpine has been an excellent community partner for a decade. The Sutter Energy Center not only funds local programs in the Yuba-Sutter community but it has provided \$2.5 million over 10 years for levee and drainage improvements through the Calpine Levee and Flood Control Improvement Act. Over 100 local contractors provide services to the SEC. Sutter County's unemployment rate is around 19%, well-above the States' average and we simply cannot afford to lose these high-wage jobs and property taxes.

We support the representations that if the plant were to be mothballed until it was needed in 2017/18 that it would not be able to return to commercial operation due to permitting issues. We can personally attest to the highly contentious permitting difficulties we experienced 10 years ago when the plant was originally permitted, and can only imagine

