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June 23, 2010

Keith Casey
Vice President
**Market and Infrastructure Development
California ISO**
151 Blue Ravine Road
Folsom, CA 95630

Dear Mr. Casey:

The Bay Area Air Quality Management District ("Air District") is currently evaluating a permit application for the Marsh Landing Generating Station Project, a proposed 760-megawatt natural gas fired electric power generation facility that would be located near Antioch, CA.

The Marsh Landing Generating Station would be constructed adjacent to the existing Contra Costa Power Plant, an older facility which is scheduled to be retired when the Marsh Landing Generating Station is available for commercial operation. While the Contra Costa Power Plant was comprised of seven units, as of 2008, five of the units have been retired. The remaining two units, Units 6 and 7, were constructed in 1964 and utilize once-through cooling. Mirant Delta has agreed in its latest Power Purchase Agreement with PG&E to retire Contra Costa Units 6 and 7 by April 30, 2013 subject to certain regulatory approvals.

It is the Air District's understanding that the ISO would have to approve of the closure of the existing Contra Costa Power Plant for the facility to shutdown on April 30, 2013. The Air District is interested in the probability of Cal ISO requiring one or both of the Contra Costa Power Plant Units to remain online for reliability beyond April 30, 2013 after the Marsh Landing Power Plant becomes operational.

Please explain how likely it would be for the ISO to require one or both units at Contra Costa Power Plant to continue operation beyond April 30, 2013 after the Marsh Landing Power Plant becomes operational.

If you have any further questions, please call me at (415) 749-4721, fax 415-749-5030.

Sincerely,

Barry G. Young
Air Quality Engineering Manager
Engineering Division

BGY:bk1

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