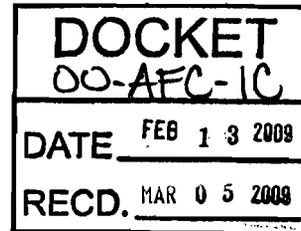




**Pacific Gas and
Electric Company®**

Mailing Address:
Pacific Gas & Electric Company
Gateway Generating Station
3225 Wilbur Ave.
Antioch, CA 94509
(925) 522-7801

February 13, 2009



Mr. Ron Yasny
California Energy Commission
1516 Ninth Street, MS-2000
Sacramento, CA 95814

Reference: PG&E Gateway Generating Station (00-AFC-01C)

Subject: Withdrawal of Petition to Amend Various Air Quality Conditions of Certification

Dear Mr. Yasny,

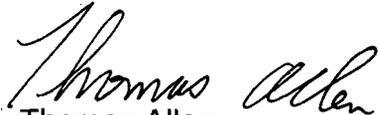
On January 15, 2008, PG&E submitted to the CEC a petition to amend air quality conditions of certification for the Gateway Generating Station in Antioch. With this letter, PG&E is withdrawing the petition.

PG&E acquired the Gateway Generating Station (GGS) project, which was licensed in 2001 as Contra Costa Unit #8, in late 2006. In December 2006, PG&E submitted to the CEC a Petition to Amend which requested approval of several proposed changes to the project design, including redesign of the cooling system to eliminate wet cooling and eliminating the use of steam power augmentation. This amendment was approved by the CEC on August 1, 2007. Because of the need to get the cooling system-related project changes approved quickly, the December 2006 Petition to Amend did not include any project modifications that required changes to the Authority to Construct (ATC) issued by the Bay Area Air Quality Management District (BAAQMD or District) for the project. PG&E subsequently submitted to the District an application to modify the Authority to Construct. Conforming changes to the air quality-related Conditions of Certification were requested in the January 2009 Petition to Amend.

The principal reason for the changes requested in the January 2009 Petition was because PG&E believed that the original conditions governing commissioning and startups were overly stringent and could not be complied with. In the application for modification and the Petition to Amend, we had requested changes to these conditions that would have increased some emissions limits and extended some time periods related to commissioning and startups. However, GGS has completed commissioning in compliance with the existing conditions, so no revisions are needed for commissioning-related conditions. Further, GGS has completed several warm and hot startups and two complete cold startups. Based on the data collected during these startups, we now believe we can comply with the existing startup conditions. As a result, PG&E believes the amendments originally requested in the District permit application and the CEC petition are no longer necessary.

A copy of the letter to the BAAQMD withdrawing the District application is attached. If you have any questions regarding this request, please do not hesitate to call me or Gary Rubenstein of Sierra Research at (916) 444-6666.

Sincerely,


Thomas Allen
Project Manager

attachment

cc: Andrea Grenier, Grenier & Associates
Scott Galati, Galati Blek
Gary Rubenstein, Sierra Research



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February 13, 2009

Brian Bateman
Director of Engineering
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: Application for Modifications to the Authority to Construct
Gateway Generating Station—Plant No. 18143, Application No. 17182

Dear Mr. Bateman:

PG&E hereby withdraws Application No. 17182, the application for modifications to the Authority to Construct for the Gateway Generating Station (GGS), which was filed with the District in December 2007. As we have discussed with you, the principal reason for requesting the permit modifications was because we believed that the original conditions governing commissioning and startups were overly stringent and could not be complied with. In our application we had requested changes to these conditions that would have increased some emissions limits and extended some time periods related to commissioning and startups. However, GGS has completed commissioning in compliance with the existing conditions, so no revisions are needed for commissioning-related conditions. Further, GGS has completed several warm and hot startups and two complete cold startups. Based on the data collected during these startups, we now believe we can comply with the existing startup conditions. As a result, we no longer believe the amendments originally requested in our December 2007 application are necessary.

We appreciate the assistance you and your staff have provided during the permit review. If you have any questions regarding this request to withdraw the application, please do not hesitate to call me or Gary Rubenstein of Sierra Research at (916) 444-6666.

Sincerely,

Thomas Allen
Project Manager

cc: Brian Lusher, BAAQMD Permit Services
Andrea Grenier, Grenier & Associates
Scott Galati, Galati Blek
Gary Rubenstein, Sierra Research