CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET SACRAMENTO, CA 95814-5512



December 18, 2012

Mr. Greg Lamberg Senior Vice President Contra Costa Generating Station, LLC P.O. Box 1690 Danville, CA 94526

SUBJECT: Oakley Generating Station (09-AFC-4C)

Status of Construction Activities

Dear Mr. Lamberg:

This letter is intended to provide a status of the Oakley Generating Station (OSG) project. The OSG project filed an Application for Certification with the California Energy Commission (CEC) on June 30, 2009. The project was approved by the Energy Commission on May 18, 2011. The California Energy Commission license for the OGS project is valid and the project is in compliance with this license and the preconstruction and construction conditions of certification.

In March of 2011 the OGS applicant began providing pre-construction compliance submittals to the Compliance Project Manager and Chief Building Official. Based upon the completion of compliance submittals, the Energy Commission issued a Limited Notice to Proceed (LNTP)/Start of Construction for Phase I activities on June 1, 2011. The Full Notice to Proceed (FNTP) for Phase I activities was issued by the CEC on June 9, 2011. For Phase II activities, which include all other construction activities to complete the plant construction, the CEC issued a LNTP on June 24, 2011 and a FNTP on July 26, 2011.

The first phase of construction including grading and the construction of the fire pump foundation were completed by June 27, 2011. Overall site grading activities were completed by the end of 2011. Ongoing construction activities have included maintaining the site, wetland preservation and site work necessary for vertical construction.

As the CEC's Compliance Project Manager, I have continued to work closely with the OGS project management team and have made regular inspections of the site to ensure compliance. The applicant has filed monthly compliance reports for the past 17 months detailing ongoing construction compliance.

December 18, 2012 Page 2

If you have any questions, please call me at (916) 654-4781 or e-mail me at craig.hoffman@energy.ca.us.

Sincerely,

Craig Hoffman

Compliance Project Manager