

June 25, 2003

Chairman William J. Keese and Commission Members
California Energy Commission
1516 Ninth Street
Sacramento, California 95814

RE: Duke Energy Morro Bay Modernization Project, Docket No. 00-AFC-12

Dear Chairman Keese:

I write to ask you to reconsider your preliminary decision to allow the use of once-through seawater cooling at the Morro Bay Modernization Project. In the alternative, I urge you to adopt the recommendations of the California Energy Commission staff, the California Coastal Commission, the U.S. Fish & Wildlife Service and other concerned citizens to incorporate dry cooling at the Morro Bay site.

As you know, the current Morro Bay project has significant environmental impacts. Implementing dry cooling technology at this site would reduce these harmful effects. Our coast plays a vital role in our state's economy, drawing countless visitors to California each year and creating millions of jobs. California should not allow the corporate interests of out-of-state companies to use inefficient and outdated technology—like the once-through seawater cooling—to make a profit at the peril of our environment and economy.

As Chair of the State Lands Commission, I fear allowing Duke Energy to water-cool the Morro Bay Plant will set the precedent for other future projects throughout the state. The San Diego South Bay Power Plant--also owned by Duke Energy--currently uses up to 20% of the South Bay in its cooling system every day, resulting in the systematic sterilization of organically rich bay water. As I work to close down the South Bay Power Plant and have it replaced with more modern, cleaner technology, I am appalled that the Energy Commission would even consider allowing this antiquated equipment in a project modernization along our coast.

I strongly urge the Commission to take the necessary actions to protect our State's coastal resources and environmental quality. Thank you for your consideration.

With kindest regards,

CRUZ M. BUSTAMANTE
Lieutenant Governor