

Goal Line, LP

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August 11, 2011

Clerk of the Board
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Comments of Goal Line L.P. on the Modified California Cap-and-Trade Regulation

Dear Executive Officer Goldstene,

As your staff knows in detail, Goal Line, L.P. ("Goal Line") owns a cogeneration facility which sells its output under a long-term power purchase agreement (PPA) with San Diego Gas & Electric Company ("SDG&E"). We are commenting because we believe that it is likely that Goal Line will need relief on a case-by-case basis from the California Air Resources Board's ("CARB") Regulation to Implement the California Cap-and-Trade Program, 17 California Code of Regulations Sections 95100 et seq. (the "Regulations"), as mentioned in your July 25, 2011 Notice.

Nothing in our PPA provides for the pass through of costs associated with the Cap-and-Trade Program and therefore Goal Line is exposed to unrecoverable costs under the currently proposed regulatory language in the cap-and-trade program. The PPA, which remains in effect through February of 2025 spans all three compliance periods and has specific provisions that prevent Goal Line from selling any of its electrical output to any entity other than SDG&E. In addition, certain performance provisions require Goal Line to operate a minimum number of hours per month in order to provide the needed power capacity (and earn essential, agreed capacity revenues) and to not be in breach of the PPA. Therefore, by virtue of the PPA as authorized by the California PUC, the buyer, SDG&E in this case, has operational control of the facility and should be the entity with the compliance responsibility under CARB's new cap-and-trade program.

Goal Line has reviewed the CARB's July 25, 2011 "Notice of Public Availability of Modified Text and Availability of Additional Documents" and recommends that

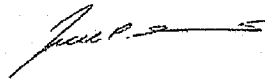
the definition for "operational control" be expanded to include a counter party in a long-term PPA that has exclusive rights to 100% of the net electrical output from the facility.

(179) "Operational control" for a facility subject to this article means the authority to introduce and implement operating, environmental, health, and safety policies. In any circumstance where this authority is shared among multiple entities, the entity holding the permit to operate from the local air pollution control district or air quality management district is considered to have operational control for purposes of this article or, in the case of a facility with a long-term Power Purchase Agreement where the facility is precluded from selling any energy to any entity other than the counterparty, then the counterparty has operational control."

Thank you for your consideration.

Very truly yours,

Goal Line, L.P.

A handwritten signature in dark ink, appearing to read "Joel Lepoutre", with a horizontal line extending to the right.

By: Joel Lepoutre, General Manager

Cc: Michael R. Barr, Pillsbury