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March 28, 2006

**Via Facsimile & First Class Mail**

Energy Facility Site Evaluation Council  
P. O. Box 43172  
925 Plum Street S.E., Building 4  
Olympia, Washington 98504-3172

**Re: Sumas Energy 2 Site Certification Agreement**

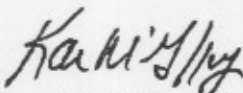
Dear Chairman Luce:

We are writing on behalf of Sumas Energy 2, Inc. ("SE2") to inform the Council that the company has decided to terminate the SE2 project. In light of the continuing high cost of natural gas, the slowness of utilities to commit to future power sources, and the recent denial of its appeal to the Federal Court of Appeals in Canada, SE2 has decided to focus its efforts on other projects.

Pursuant to WAC 463-66-020 and 463-66-030, SE2 formally requests termination of its Site Certification Agreement. SE2 has no outstanding obligations under the Site Certification Agreement. In particular, because SE2 never began site preparation or construction activities, SE2 has no mitigation or site restoration obligations.

The company is proud of the effort it put into the SE2 project. As this Council noted when it recommended site certification, the project set a new standard of excellence for the protection of the environment and the public interest. The company thanks the Council for its objective evaluation of the project's merits in the face of localized opposition, and thanks the Council's staff for its helpful and efficient handling of permit compliance issues.

Very truly yours,



Karen M. McGaffey

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