

500 KV Backbone Reliability Completion Project

Presentation to:

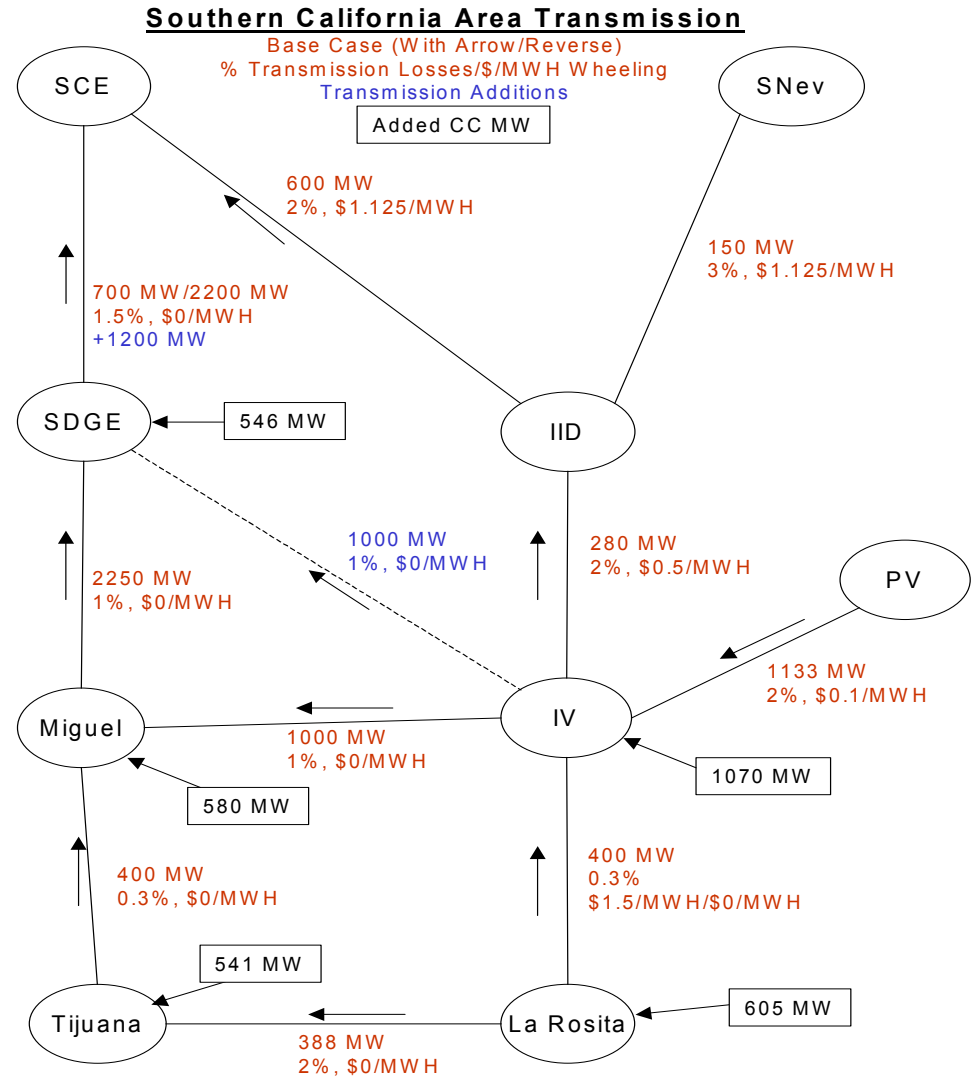
California-Arizona Regional Transmission
Study Meeting

November 1, 2002

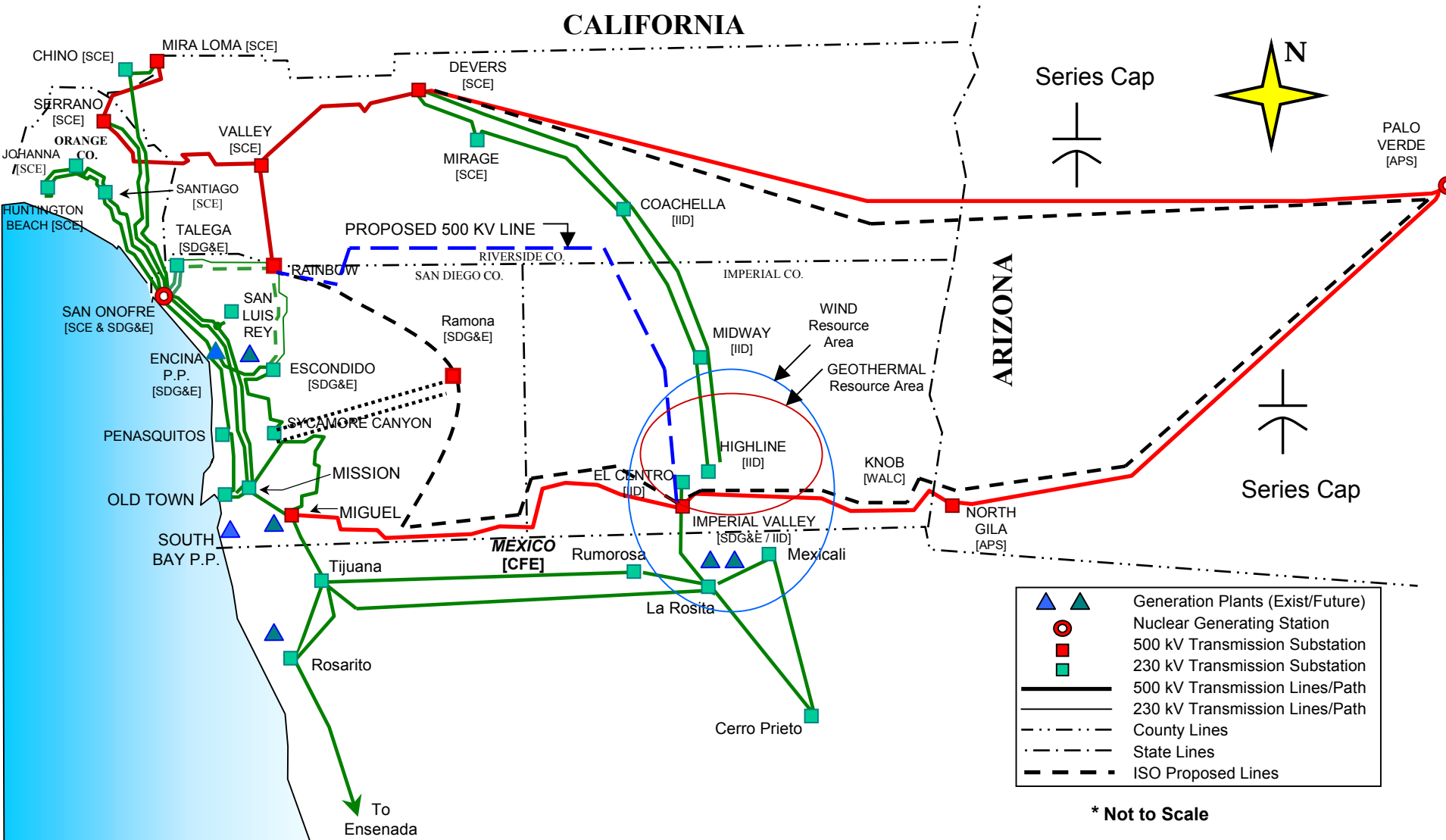


Economic Dispatch Model

- Henwood Model (Transport Model)
- Incremental dispatch
- IV-Miguel fully loaded in base case
- Economic benefits to load with IV-Rainbow line; PV-IV & IV-SDGE near full load



Long Term Regional Study Identified possible transmission reinforcements



- Economic Benefits to Load
 - Load can access lower heat rate generation
- Connects Committed Generation to Load
 - 2796 MW of Border Area Generation
 - 1675 MW on-line Summer 2003 LRPP / TDM
- Connects Potential Renewables to Load
- Grid Benefits - Feb. 15, 2001 Cal-ISO report, Southern California Long Term Regional Transmission Study

(Page 4) “...the following conceptual transmission reinforcement plans were identified: ...Build a new 500 KV line from Imperial Valley to ...to SDG&E’s proposed Rainbow Substation.”



1060 MW LRPP 1 & 2



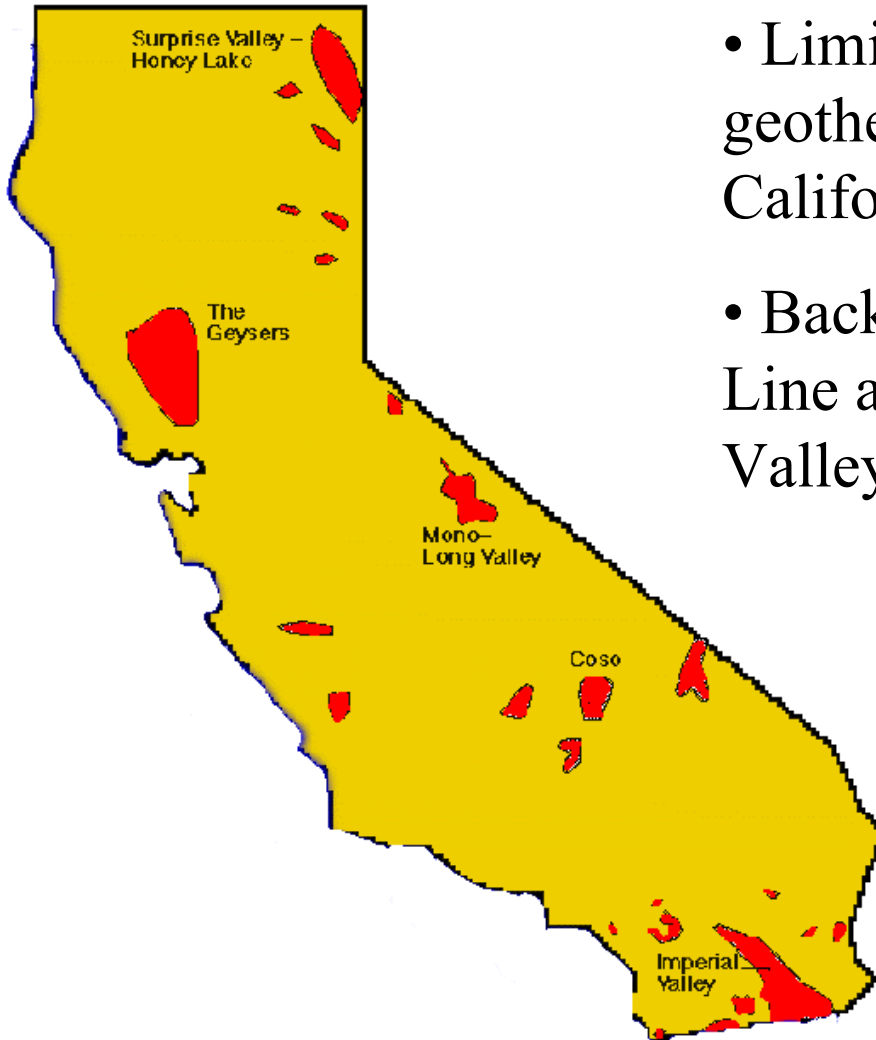
600 MW TDM-1

Impact of California RPS

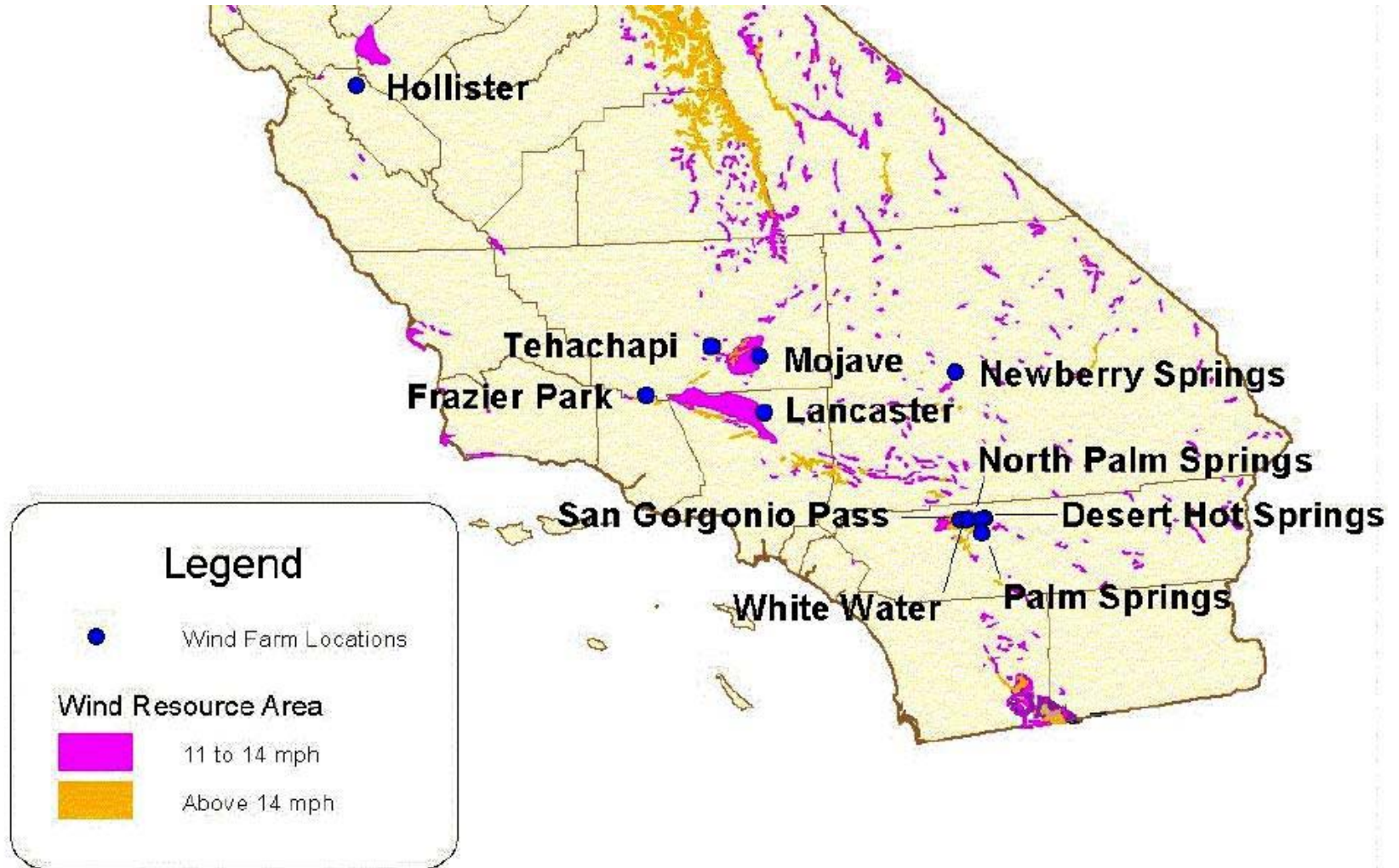
- 20% of load served by renewables by 2020
- Approximately 28,000 GWH existing
- Approximately 40,000 GWH new renewable generation needed to meet RPS Goals
- Equivalent of:
 - Geothermal: 3400 MW
 - Wind: 5000 MW
 - Solar: 10 MW



**Potential to Expand Green Geothermal
Generation Resources in Imperial Co.**



- Limited areas of potential geothermal generation in California
- Backbone Completion Project Line aligned with Imperial Valley geothermal resources



SB1078

" This bill would provide that an application of an electrical corporation for a certificate for the construction of new transmission facilities, that are necessary to facilitate achievement of the renewable power goals, shall be deemed to be necessary by the PUC in determining to issue a certificate of public necessity and convenience."

Phase 1 Feasibility Study: Perform following tasks:

- Routing and Right of Way Study
- Preliminary Environmental Assessment
- Load Flow Study
- Economic Analysis
- Regulatory and Cost Recovery Study
 - Process similar to recent Path 15 Upgrade Model
- Estimated cost: \$500,000

Your Involvement ?

- Invitation to join Coalition for Phase 1 study
- Questions?
 - Mike Evans
 - mevans02@coral-energy.com