

CalEnergy Operating Corporation

Comments on Proposed Policy-Driven Elements in Imperial Valley Area with Capital Costs of Less Than \$50 Million

Submitted by	Company	Date Submitted
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CalEnergy Operating Corporation (CalEnergy) appreciates the opportunity to comment on the CAISO’s Proposed Policy-Driven Elements in Imperial Valley Area with Capital Costs of Less than \$50 Million as communicated in the November 20, 2012 Market and Infrastructure Development paper and further described in the November 29, 2012 Stakeholder call. While this policy-driven transmission project reflects a tremendous effort of collaborative work across multiple balancing authorities to support development of renewable generation from the Imperial Valley in order to meet the 33% RPS requirement, CalEnergy is concerned that this transmission project erroneously reduces the maximum import capacity (MIC) of 1,400 MW assigned to the Imperial Valley Balancing Authority and circumvents the intended CPUC recommendation in the 2011 RPS solicitation.

Once built by the Imperial Irrigation District (IID), as it is uniquely qualified¹, the proposed collector substation and a one mile 230 kV transmission line connected to the Imperial Valley Substation will become owned by the IID as a Partial Participating Transmission Owner (PPTO) under the CAISO tariff. Citing the need to expedite in order to achieve PPA and LGIA milestones, the first project of 150 MW is permitted to interconnect because these facilities would become a network facility within the CAISO balancing authority area. However, the remaining capacity of approx. 450 – 600 MW, without expansion, would come under IID control and support renewable generation and interconnection from the IID balancing authority.

CalEnergy fully supports CAISO’s resolve to provide additional transmission reinforcements into the Imperial Valley to enable importing of renewable energy to the

¹ Imperial Irrigation District announced in public session of its December 3, 2012 board meeting, “that it is almost impossible for anyone else to build this”, citing ROW procurement, the permitting process, and IID infrastructure already in place.

CAISO grid, but cautions that these efforts and facilities must not reduce the MIC intended for importing renewable generation directly from the IID balancing authority. CalEnergy opposes any CAISO network facility within the IID “area” that reduces the 1,400 MIC value.