

April 16, 2012

VIA U.S. AND ELECTRONIC MAIL

Honorable Karen Douglas
Committee Chair
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

DOCKET

07-AFC-6

DATE APR 16 2012

RECD. APR 16 2012

Re: 07-AFC-06

Dear Commissioner Douglas:

The California Independent System Operator Corporation (the ISO) applauds the work of the California Energy Commission's siting committee to issue a revised presiding member's proposed decision to address the proposed Carlsbad Energy Center Project. In connection with the issuance of the revised proposed decision, the City of Carlsbad has asserted that studies supporting the testimony of ISO witnesses in this proceeding contain a significant error that may require the siting committee to exclude the ISO's testimony or delay the close of the comment period on the revised decision. The ISO disagrees with the City of Carlsbad.

As referenced in the CEC staff's response to Carlsbad's letter request filed April 4, 2012,¹ SDG&E recently informed the ISO that the newly revised criterion of the Western Electricity Coordinating Council for common corridor circuit outages would result in a reclassification of a double outage of the Sunrise/IV Miguel transmission lines as a Category D contingency because the towers on the two lines are spaced less than 250' apart for less than 3 miles (which is the new WECC criterion). SDG&E provided written notice of this change on March 21, 2012. This re-categorization of the common corridor circuit outage as a Category D contingency has required the ISO to reassess its local studies and the ISO has presented the results of this re-assessment to the California Public Utilities Commission as part of the CPUC's proceeding examining the need for resources in the San Diego local area.

Based on this re-assessment, the ISO believes that the reclassification of the Sunrise/IV Miguel double outage as a Category D contingency does not create material changes to its testimony in the California Energy Commission's siting proceeding. It remains true that the Carlsbad Energy Center will help meet projected capacity needs in the San Diego local capacity area and Encina local capacity sub-area as well as facilitate the retirement of the Encina Power Station. Although the reclassification of the Sunrise/IV Miguel double outage as a Category D contingency changes the most limiting transmission contingency for the San Diego local capacity area, the ISO's

¹ Carlsbad Energy Center LLC has also filed a response to the City of Carlsbad's letter request.

studies still reflect long-term projected capacity needs in San Diego that the Carlsbad Energy Center will help meet. The ISO's reassessment of its study results did not affect the finding of need in the Encina local capacity subarea. Absent the development of generation at the current site of the Encina Power Station or some electrically equivalent location, the ISO will still likely require one or more of the existing Encina units to operate beyond December 31, 2017.

The ISO agrees with the California Energy Commission staff's recommendation that the siting committee proceed to present the revised proposed decision to the full California Energy Commission for adoption.

Sincerely,

A handwritten signature in blue ink that reads "Andrew Ulmer / amp". The signature is written in a cursive style.

Andrew Ulmer
Attorney for the California Independent
System Operator Corporation

cc: Service List 07-AFC-6 (via electronic mail).