November 5, 2012

Eric Solorio, Project Manager
California Energy Commission
Docket No. 11-AFC-3
1516 9th St.
Sacramento, CA 95814

Cogentrix Quail Brush Generation Project - Docket Number 11-AFC-03: Addendum to the Re-Study of C1C2 Phase II Interconnection Study

Docket Clerk:

Pursuant to the provisions of Title 20, California Code of Regulations, and on behalf of Quail Brush Genco, LLC, a wholly owned subsidiary of Cogentrix Energy, LLC, Tetra Tech hereby submits the Addendum to the Re-Study of C1C2 Phase II Interconnection Study. The Quail Brush Generation Project is a 100 megawatt natural gas fired electric generation peaking facility to be located in the City of San Diego, California.

If you have any questions regarding this submittal, please contact Rick Neff at (704) 525-3800 or me at (303) 980-3653.

Sincerely,

Constance E. Farmer
Project Manager/Tetra Tech

cc: Lori Ziebart, Cogentrix
    John Collins, Cogentrix
    Rick Neff, Cogentrix
    Proof of Service List
APPLICATION FOR CERTIFICATION FOR THE
QUAIL BRUSH GENERATION PROJECT

DOCKET NO. 11-AFC-03
PROOF OF SERVICE
(Revised 10/29/2012)

APPLICANT
Cogentrix Energy, LLC
C. Richard “Rick” Neff, Vice President
Environmental, Health & Safety
9405 Arrowpoint Boulevard
Charlotte, NC  28273
rickneff@cogentrix.com
Cogentrix Energy, LLC
John Collins, VP Development
Lori Ziebart, Project Manager
Quail Brush Generation Project
9405 Arrowpoint Blvd.
Charlotte, NC  28273
johncollins@cogentrix.com
loriziebart@cogentrix.com

COUNSEL FOR APPLICANT
Bingham McCutchen LLP
Ella Foley Gannon
Camarin Madigan
Three Embarcadero Center
San Francisco, CA  94111-4067
ella.gannon@bingham.com
camarin.madigan@bingham.com

INTervenors
Roslini Varghese
9360 Leticia Drive
Santee, CA  92071
roslinvd@gmail.com
Rudy Reyes
8655 Graves Avenue, #117
Santee, CA  92071
reyes2777@hotmail.com
Dorian S. Houser
7951 Shantung Drive
Santee, CA  92071
dhouser@cox.net
Kevin Brewster
8502 Mesa Heights Road
Santee, CA  92071
lpup@yahoo.com
Phillip M. Connor
Sunset Greens Home Owners Association
8752 Wahl Street
Santee, CA  92071
connorphil48@yahoo.com
*Mr. Rob Simpson, CEO
Helping Hand Tools
1901 First Avenue, Suite 219
San Diego, CA  92101
rob@redwoodrob.com
HomeFed Fanita Rancho, LLC
Jeffrey A. Chine
Heather S. Riley
Allen Matkins Leck Gamble
Mallory & Natsis LLP
501 West Broadway, 15th Floor
San Diego, CA  92101
jchine@allenmatkins.com
hriley@allenmatkins.com
kaup@allenmatkins.com
vhoy@allenmatkins.com

APPLICANT’S CONSULTANTS
Tetra Tech EC, Inc.
Connie Farmer
Sr. Environmental Project Manager
143 Union Boulevard, Suite 1010
Lakewood, CO  80228
connie.farmer@tetratech.com
Tetra Tech EC, Inc.
Barry McDonald
VP Solar Energy Development
17885 Von Karmen Avenue, Ste. 500
Irvine, CA  92614-6213
barry.mcdonald@tetratech.com
Tetra Tech EC, Inc.
Sarah McCall
Sr. Environmental Planner
143 Union Boulevard, Suite 1010
Lakewood, CO  80228
sarah.mccall@tetratech.com

INTERESTED AGENCIES
California ISO
e-recipient@caiso.com
City of Santee
Department of Development Services
Melanie Kush
Director of Planning
10601 Magnolia Avenue, Bldg. 4
Santee, CA  92071
mkush@ci.santee.ca.us
City of San Diego
2222 First Avenue, MS 501
San Diego, CA  92101
mdye@sandiego.gov

HomeFed Fanita Rancho, LLC
Jeffrey A. Chine
Heather S. Riley
Allen Matkins Leck Gamble
Mallory & Natsis LLP
501 West Broadway, 15th Floor
San Diego, CA  92101
jchine@allenmatkins.com
hriley@allenmatkins.com
kaup@allenmatkins.com
vhoy@allenmatkins.com

Preserve Wild Santee
Van Collinsworth
9222 Lake Canyon Road
Santee, CA  92071
savefanita@cox.net
Center for Biological Diversity
John Buse
Aruna Prabhala
351 California Street, Suite 600
San Francisco, CA  94104
jbuse@biologicaldiversity.org
aprabhala@biologicaldiversity.org

*indicates change
INTERESTED AGENCIES (cont.)
Mindy Fogg
Land Use Environmental Planner
Advance Planning
County of San Diego
Department of Planning & Land Use
5510 Overland Avenue, Suite 310
San Diego, CA  92123
mindy.fogg@sdcounty.ca.gov

ENERGY COMMISSION –
DECISIONMAKERS
KAREN DOUGLAS
Commissioner and
Presiding Member
karen.douglas@energy.ca.gov

ANDREW McALLISTER
Commissioner and
Associate Member
andrew.mcallister@energy.ca.gov

Raoul Renaud
Hearing Adviser
raoul.renaud@energy.ca.gov

Eileen Allen
Commissioners’ Technical
Adviser for Facility Siting
eileen.allen@energy.ca.gov

Galen Lemei
Advisor to Commissioner Douglas
galen.lemei@energy.ca.gov

Jennifer Nelson
Advisor to Commissioner Douglas
jennifer.nelson@energy.ca.gov

David Hungerford
Advisor to Commissioner McAllister
david.hungerford@energy.ca.gov

Pat Saxton
Advisor to Commissioner McAllister
patrick.saxton@energy.ca.gov

ENERGY COMMISSION STAFF
Eric Solorio
Project Manager
eric.solorio@energy.ca.gov

Stephen Adams
Staff Counsel
stephen.adams@energy.ca.gov

ENERGY COMMISSION –
PUBLIC ADVISER
Jennifer Jennings
Public Adviser’s Office
publicadviser@energy.ca.gov
DECLARATION OF SERVICE

I, Constance Farmer, declare that on November 5, 2012, I served and filed copies of the attached Addendum to the Re-Study of C1C2 Phase II Interconnection Study, dated October 22, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: http://www.energy.ca.gov/sitingcases/quailbrush/index.html.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission’s Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

x Served electronically to all e-mail addresses on the Proof of Service list;
___ Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses marked **“hard copy required”** or where no e-mail address is provided.

AND

For filing with the Docket Unit at the Energy Commission:

x by sending an electronic copy to the e-mail address below (preferred method); OR
___ by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 11-AFC-03
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.ca.gov

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

___ Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission
Michael J. Levy, Chief Counsel
1516 Ninth Street MS-14
Sacramento, CA 95814
michael.levy@energy.ca.gov

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Constance Farmer
October 22, 2012

John Collins
Cogentrix Energy, LLC
9405 Arrowpoint Blvd
Charlotte, NC 28273

Subject: Quail Brush Generation Project
Addendum to the Re-Study of C1C2 Phase II Interconnection Study

Dear Mr. Collins:

Attached is the Addendum to the Re-Study of C1C2 Phase II Interconnection Study Report for the interconnection of the proposed Quail Brush Generation Project (Project) to the CAISO Controlled Grid. The purpose of the Addendum is to reflect a change in the Point of Interconnection (POI) of the Project from San Diego Gas and Electric’s (SDG&E) Carlton Hills 138 kV bus to the Carlton Hills-Mission 138 kV line.

If you have any questions, please contact Luba Kravchuk ([lkravchuk@caiso.com](mailto:lkravchuk@caiso.com)) or 916.608.5877.

Sincerely,

Robert Sparks
Manager of Regional Transmission - South

Attachment

via e-mail:

John Collins ([johncollins@cogentrix.com](mailto:johncollins@cogentrix.com))
Dipak Bhagat ([DipakBhagat@Cogentrix.com](mailto:DipakBhagat@Cogentrix.com))
Mariam Mirzadeh ([MMirzadeh@semprautilities.com](mailto:MMirzadeh@semprautilities.com))
Khoang Ngo ([KNgo@semprautilities.com](mailto:KNgo@semprautilities.com))
Jade Thiemsuwan ([JThiemsuwan@semprautilities.com](mailto:JThiemsuwan@semprautilities.com))
Marlene Mishler ([MMishler@semprautilities.com](mailto:MMishler@semprautilities.com))

CAISO via email:

Robert Sparks ([rsparks@caiso.com](mailto:rsparks@caiso.com))
Robert Emmert ([remmert@caiso.com](mailto:remmert@caiso.com))
Linda Wright ([lwright@caiso.com](mailto:lwright@caiso.com))
Luba Kravchuk ([lkravchuk@caiso.com](mailto:lkravchuk@caiso.com))
Addendum to Re-Study of C1C2 Phase II
Appendix A – C565
Individual Project Report

Quail Brush Genco, LLC
Quail Brush Generation Project

October 22, 2012

This study has been completed in coordination with San Diego Gas & Electric Company per CAISO Tariff Appendix Y Generator Interconnection Procedures (GIP) for Interconnection Requests in a Queue Cluster Window
1. Executive Summary

Cogentrix Energy, LLC, an Interconnection Customer (IC), received a Re-Study of C1C2 Phase II Interconnection Study Report dated June 4, 2012 for their Interconnection Request (IR) to the California Independent System Operator Corporation (CAISO) for their proposed Quail Brush Generation Project (Project), queue position C565. The IC is now Quail Brush Genco, LLC, which was assigned all of Cogentrix’s rights with respect to the Project.

Subsequent to the issuing of the Re-Study of C1C2 Phase II Interconnection Study Report, the IC requested to modify the POI for this Project from the Carlton Hills 138 kV bus to the Carlton Hills-Mission 138 kV line. This POI was referenced in the Re-Study of C1C2 Phase II Interconnection Study Report as an alternate POI and is requested as the POI in response to environmental and visual impact concerns expressed by nearby residents and other intervenors in the IC’s California Energy Commission (CEC) permit proceeding. The IC expressed that these concerns are creating unnecessary risks for the project in the CEC proceeding and complicating right of way acquisition. The new POI is expected to mitigate these concerns by significantly reducing the visual impacts to the neighboring community. The alternate POI also serves to improve the costs and benefits of the interconnection compared to the original POI. (This is the fourth POI requested by the IC. The original proposed POI was SDG&E’s Sycamore Canyon-Miguel 230 kV transmission line, reflected in the Cluster 2 Phase I Interconnection Study Report, dated November 15, 2010. The second proposed POI was the Miguel-Mission 230 kV transmission line, reflected in the C1C2 Projects Phase II Interconnection Study Report, dated August 24, 2011. The third proposed POI was at the 138 kV bus of SDG&E’s Carlton Hills Substation, first reflected in the Addendum to the C1C2 Phase II Study Report, dated January 17, 2011.)

This addendum revises the scope and cost of the Interconnection Facilities and Reliability Network Upgrades to physically interconnect the Project at the new POI.

The following identified sections and corresponding changes replace and supersede those same sections in the Re-Study of C1C2 Phase II Appendix A - C565 Individual Project Report, dated June 4, 2012.

Summary of changes:

A. Replace Section C.1. of the Executive Summary on page 3 to reflect the changes in cost for the PTO’s Interconnection Facilities and Network Upgrades to physically interconnect the Project:

C. Specification of required facilities, a non-binding, good faith estimate of the Project’s cost responsibility and approximate time to construct the required facilities:

1. The good faith cost estimate of the PTO’s Interconnection Facilities\(^1\) to interconnect the Project is approximately $765,000, exclusive of ITCC\(^2\). The good faith cost estimate for the Network Upgrades\(^3\) to

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1 The transmission facilities owned, controlled, or operated by the PTO from the Point of Change of Ownership to the Point of Interconnection necessary to physically and electrically interconnect the Project to the CAISO Controlled Grid.

2 Income Tax Component of Contribution
interconnect the Project and be fully deliverable is approximately $14,300,000.

B. Replace Table 2.1 on page 4 to reflect the change in POI

Table 2.1: Project General Information

<table>
<thead>
<tr>
<th>Project Location</th>
<th>San Diego, California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and Type of Generators</td>
<td>11 – 9.341 MW Reciprocating Engines</td>
</tr>
<tr>
<td>Interconnection Voltage</td>
<td>138 kV</td>
</tr>
<tr>
<td>Maximum Generator Output</td>
<td>102.749 MW</td>
</tr>
<tr>
<td>Generator Auxiliary Load</td>
<td>2.749 MW</td>
</tr>
<tr>
<td>Maximum Net Output to Grid</td>
<td>100 MW</td>
</tr>
<tr>
<td>Step-up Transformer</td>
<td>One (1) - 138/13.8 kV transformer, three phase, rated for 125 MVA with 10% impedance on 75 MVA base</td>
</tr>
<tr>
<td>Point of Interconnection</td>
<td>Loop-in Carlton Hills-Mission 138 kV line (TL13822)</td>
</tr>
</tbody>
</table>

3 The transmission facilities, other than Interconnection Facilities, beyond the Point of Interconnection necessary to accommodate the interconnection of the Project to the CAISO Controlled Grid.
C. Replace Figure 2.1 on page 5 to reflect the change in POI

Figure 2.1: Interconnection Facilities and Reliability Network Upgrades for Revised POI
D. **Replace Table 11.1 with the table below to reflect the revised scope of work for the PTO’s Interconnection Facilities and Network Upgrades:**

**Table 11.1: Upgrades, Estimated Costs, and Estimated Time to Construct Summary**

<table>
<thead>
<tr>
<th>Type of Upgrade</th>
<th>Upgrade</th>
<th>Cost Allocation Factor</th>
<th>Estimated Cost x 1,000 (Note 1)</th>
<th>Estimated Time to Construct (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PTO’s Interconnection Facilities (Note 3)</strong></td>
<td>138 kV gen-tie from POCO to POI</td>
<td>100%</td>
<td>$765</td>
<td>6 Months</td>
</tr>
</tbody>
</table>
| **Reliability Network Upgrades to Physically Interconnect** | Construct new 4-element single-bus single-breaker 138 kV switchyard  
- Four (4) – 138 kV circuit breakers  
- Seven (7) – 138 kV disconnect switches  
- One (1) – three-phase 138 kV bus potential transformer  
- One (1) – 138/12 kV station light and power transformer (SL&P)  
- Associated structures, control shelter, and relays  
Loop 138 kV TL13822 (Mission-Carlton Hills) into new 138 kV switchyard | 100%                   | $14,300                           | 12 Months                           |

**Total** | | | $15,065                           | 12 Months                           |

**Notes for Table 11.1:**

**Note 1:** Estimated costs in “as year spent” dollars and in thousands of dollars, excluding Allowance for Funds Used During Construction (AFUDC). Taxes, landscaping, undergrounding, walls, gates, driveways, and CAISO metering are not included. Estimated costs include land purchases for the Fowler and Horning parcels and switchyard site development.

**Note 2:** Time to construct estimates include time for licensing/permitting, when appropriate. The estimated time to construct is for a typical project; construction duration may change due to the number of projects simultaneously in construction. Multiple projects impact resources, system outage availability, and environmental windows of construction. A key assumption is SDG&E will be able to obtain CPUC licensing and regulatory approvals in a timely manner prior to construction of the proposed facilities. The time to construct is not cumulative.

**Note 3:** The Interconnection Customer is obligated to fund these upgrades and will not be reimbursed.

The remainder of the Re-Study of C1C2 Phase II Interconnection Study Report remains unchanged.