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May 30, 2008

Anthony Como  
Director, Permitting and Siting  
U.S. Department of Energy  
1000 Independence Avenue  
Room 6H-050, OE-20  
Washington, DC 20585

**Subject:** Response to Request for Additional Information  
Application for Presidential Permit PP-334

Dear Mr. Como:

As requested during our meeting of May 14<sup>th</sup>, Sempra Generation on behalf of Baja Wind U.S. Transmission, LLC ("Baja Wind U.S.") is providing additional information with regards to its application for Presidential Permit, Docket Number PP-334. Specifically, DOE requested additional information about the relationship between the Baja Wind U.S. project and the Sunrise Transmission Project ("Sunrise") currently pending before the California Public Utilities Commission ("CPUC"). You also requested additional information about the proposed east county substation ("ECO Substation" herein; referred to as the "SWPL loop-in substation" in the Baja Wind U.S. application) through which Baja Wind U.S. would interconnect to San Diego Gas & Electric Company's (SDG&E) existing Southwest Power Link ("SWPL") transmission line.

#### Background - Baja Wind U.S. Presidential Permit Application

Baja Wind U.S. is proposing to construct a generation tie line crossing the US-Mexico border to interconnect to SWPL. The Presidential Permit application describes interconnection at either 230-kV or 500-kV at the new ECO Substation. This generation tie line will allow the import of electricity from renewable energy generation facilities to be constructed in Northern Mexico. The generation tie line will extend approximately 1 mile north of the US-Mexico border to the new ECO Substation located adjacent to SWPL, and it will extend approximately 2 miles south of the border to its first interconnection point in Mexico.

#### Interconnection Queue Positions

Sempra Generation has three interconnection requests totaling 1120 MW to the California Independent System Operator ("CAISO") for interconnection with SWPL between Imperial Valley Substation and Miguel Substation. These requests have been assigned queue positions 159A (400 MW), 183 (300 MW), and 215 (420 MW). Attachment A contains a copy of the CAISO Interconnection queue as of May 16<sup>th</sup>, 2008 (the most recent version can be accessed at: <http://www.caiso.com/14e9/14e9ddda1ebf0.pdf>).

### Transmission Upgrades Required

The CAISO has indicated that significant transmission upgrades are required to dispatch new generation onto SWPL or the Imperial Valley Substation. This applies to all new generation in this area above 80 MW total (see footnote 1 below), not just to the generation associated with Baja Wind U.S.

The CAISO in its Interconnection Feasibility Study dated February 26, 2008 for queue position 183 indicates:

- "Without the addition of significant transmission upgrades in the Imperial Valley area, new generation . . . may be subjected to . . . the CAISO's existing SPS in the Imperial Valley which limits the amount of allowed generation to 1150 MW."

Robert Sparks (Lead Regional Transmission Engineer for the CAISO), in his March 12<sup>th</sup>, 2008 direct testimony provided to the CPUC in the Sunrise proceeding, responds as follows to a question about how the 1150 MW dispatch limit effects the proposed wind projects located in Mexico (see pages 22 and 23 of Attachment B):

- "without Sunrise or something like it, all generation at the Windsub [ECO Substation herein] and Imperial Valley Substations, combined, would be subject to an 1,150 MW dispatch limit."

At this point, Sunrise is the most refined and timely upgrade currently being considered to address this issue.

### Sunrise and Baja Wind U.S. Projects are Independent Projects

SDG&E first proposed the Sunrise project to the CPUC in an application for a Certificate of Public Convenience and Necessity filed December 14<sup>th</sup>, 2005. The original interconnection request for generation associated with the Baja Wind U.S. project was submitted a year later on December 6<sup>th</sup>, 2006, by Cannon Power (Cannon's interconnection request was transferred to Sempra Generation in 2007, as part of Sempra Generation's purchase of wind project development rights from Cannon).

SDG&E has stated that the Sunrise transmission line is needed in order to maintain grid reliability and to interconnect renewable energy projects located in Imperial County (for example, see SDG&E's Sunrise Project website ([http://www.sdge.com/sunrisepowerlink/powerlink\\_story.html](http://www.sdge.com/sunrisepowerlink/powerlink_story.html))). Although one of the attributes of the Sunrise project is that it would address the previously discussed SPS limitation, this would benefit all potential generators seeking interconnection to SWPL or the Imperial Valley Substation, including renewable projects located in Imperial Valley. These Sunrise benefits will occur regardless of whether the generation associated with Baja Wind U.S. is built or not. Thus, the decision to build the Sunrise project will be made regardless of the potential existence or not of Baja Wind U.S. or its associated generation.

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<sup>1</sup> The CAISO utilizes Special Protection Schemes (SPS) in various areas of its grid to protect system reliability should transmission facility outages occur. The 80 MW limit is the result of CAISO's SPS in the Imperial Valley area. Within the CAISO control area, the maximum generation that can be tripped off-line by an SPS is limited to 1150 MW. The SPS at Imperial Valley monitors for events such as the loss of the Imperial Valley Substation to Miguel Substation segment of SWPL. In the event of an outage of this line, the SPS would trip generators included in the SPS (currently totaling 1070 MW). Any new generation in the Imperial Valley area would be added to the SPS. Thus, given the 1150 MW limit and the 1070 MW of existing generation, only 80 MW of new generation can be added in the area without exceeding the CAISO's 1150 limit. In order to interconnect and dispatch more than an additional 80 MW, CAISO studies indicate that significant transmission upgrades are required.

Conversely, if Sunrise is not built, Sempra Generation would seek to have the CAISO and SDG&E evaluate alternative transmission upgrades to accommodate Sempra Generation's interconnection requests. FERC Order No. 888 requires transmission facility owners to offer transmission services to generators to enable their interconnection to the grid.

The Sunrise and Baja Wind projects have different purposes and justifications, are proposed by different entities, have independent utility and different triggers and actions are necessary to implement the projects. In conclusion, the Sunrise and Baja Wind U.S. projects are completely independent projects and decisions to proceed with each project will be made separately and independently of the outcome of the other.

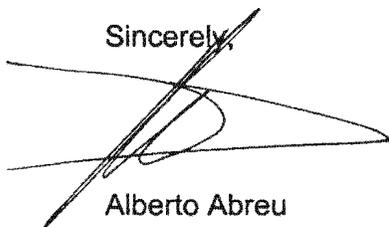
East County Substation and Baja Wind U.S. Projects are Independent Projects

The CAISO interconnection queue shows 2480 MW of generation seeking interconnection between the Imperial Valley Substation and the Miguel Substation (queue positions 106A, 112, 159A, 183, 209, 215, and 303). Presumably, all or most of these projects would interconnect to the same substation to which the Baja Wind U.S. project would interconnect. Thus, the construction of the ECO Substation would serve not only Baja Wind U.S., but another 1360 MW of unrelated generation projects. As a result, a decision to construct the ECO Substation is independent of any decision to construct the Baja Wind U.S. project. The ECO Substation would need to be constructed in order to accommodate the other interconnection requests even if the Baja Wind U.S. project were not. Conversely, if the ECO Substation were not built, Baja Wind U.S. could seek to interconnect at another new substation or to the Imperial Valley Substation.

In conclusion, ECO substation and Baja Wind U.S. are completely independent projects, and decisions to proceed with each project will be made separately and independently of the outcome of the other.

Please do not hesitate to contact me at (619) 696-2121 if any additional clarification is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'Alberto Abreu', written over a horizontal line. The signature is stylized and somewhat cursive.

Alberto Abreu