



California Independent
System Operator Corporation

Judy Nickel
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September 28, 2007

Ms. Linda Brown, Director
SDG&E
8316 Century Park Court, CP52A
San Diego, CA 92123

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DATE	SEP 28 2007
RECD.	OCT 01 2007

Dear Ms. Brown:

The CAISO has received an inquiry from Mark Hesters of the California Energy Commission (CEC) with regard to the California Independent System Operator Corporation (CAISO) approved maximum output for the Palomar Energy Project (Palomar).

The CAISO, in a June 10, 2002 letter to Leslie Padilla of Sempra Energy Resources, approved interconnection of a maximum output of 545 MW under optimal winter conditions and 521 MW under summer conditions. The approval was based upon the results of a Detailed Facility Study dated March 2002 and the results of additional studies performed by the San Diego Gas and Electric Company (SDG&E) in May 2002 per a CAISO request.

Section 25 of the CAISO Tariff requires that each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant shall be an Interconnection Customer required to submit an Interconnection Request and comply with the Large Generator Interconnection Procedures (LGIP) or CAISO Tariff Appendix W, as applicable.

In order to be approved by the CAISO to operate at outputs greater than those approved on June 10, 2002, SDG&E will need to submit an Interconnection Request (IR) to the CAISO for the increase in total capability. The IR will be processed according to the LGIP and studies will be conducted to assess the impact of the increased capacity capability to the CAISO Controlled Grid.

Please feel free to contact for any questions.

Sincerely,

Original Signed By

Judy Nickel
Project Manager
CAISO

Rodney Winter (SDG&E via email)
Tim Allen (SDG&E via email)

Cc: Dennis Peters (CAISO via email)
Ali Chowdhury (CAISO via email)
Bob Kott (CAISO via email)
Steve Rutty (CAISO via email)

Mark Hesters (CEC via email)