



Taylor Miller
Senior Environmental Counsel

925 L Street, Suite #650
Sacramento, CA 95814

Tel: 916-492-4248
Fax: 916-448-1213
tmiller@sempra.com

November 9, 2007

Ms. Paula David
Compliance Program Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET	
01-AFC-24C	
DATE	NOV 09 2007
RECD.	NOV 09 2007

Re: Palomar Energy Center (01-AFC-24C);
Staff Analysis of Petition to Change Project
Description and Install Gas Turbine Inlet Air
Chiller

Dear Ms. David:

These comments on the Staff Analysis in the above entitled matter are submitted on behalf of San Diego Gas & Electric Company (SDG&E). We appreciate the timely and thorough analysis performed by Commission staff of the Petition to Amend submitted by SDG&E on July 25, 2007. SDG&E has few comments and suggestions to make concerning the proposed conditions.

Proposed Condition TSE-10 provides that the Palomar Energy Center (PEC) owner shall not operate the facility in excess of a net 545 MW output. We are not aware of a condition in the original certification of compliance for the PEC that limits output to 545 MW as recited in the first sentence of the proposed condition. SDG&E has consulted with California Independent System Operator (CalISO) staff concerning this condition. SDG&E understands there may be some circumstances in which the CalISO could call upon the plant to generate and transmit greater than 545 MW in an emergency or for other reasons for grid operations. We understand that the CalISO may request some changes in condition TSE-10 and will defer to their requested changes. We recognize that Commission Staff has intended to conform the condition to the CalISO process as reflected in previous correspondence from the CalISO. SDG&E appreciates Staff's efforts to coordinate with the CalISO.

Our only other comment is to confirm as noted in the Staff Report, page 12, that SDG&E does include the PEC in reporting to the California Climate Action Registry. Therefore SDG&E assumes that PEC GHG emissions may be reported pursuant to the applicable CCAR protocol rather than in accordance with the reporting requirements

Ms. Paula David
November 9, 2007
Page 2 of 2

beginning in the second paragraph of Condition AQ-SC12. We also note that the Air Resources Board is scheduled to hear, and appears likely to adopt, mandatory reporting regulations for the Electricity Sector under AB 32 at its meeting on December 6-7, 2007. Therefore, those requirements will also apply to the PEC and would additionally make inapplicable the reporting requirements in condition AQ-SC-12. SDG&E is not seeking any amendment of the condition. We are merely confirming our understanding of the applicability of the condition to the PEC.

SDG&E appreciates Commission Staff's efforts to process our petition expeditiously and the thoroughness of their analysis. Please let me know if you have any questions regarding our comments or need any further information from SDG&E in order to complete Commission action on the petition.

Sincerely yours,



Taylor O. Miller
Counsel to SDG&E

Cc: Dale Edwards, CEC
Grant Rosenblum, Esq., CalISO
Dan Baerman, SDG&E
James Walsh, Esq., Sempra Energy