



California Independent
System Operator Corporation

May 6, 2008

Tom Barnett
Inland Energy
3501 Jamboree Road / South Tower/ Suite 606
Newport Beach, CA, 92660

DOCKET 07-AFC-1	
DATE	JUN 06 2008
RECD.	JUN 10 2008

Subject: Interconnection Facilities Study Report for the Victorville 2 Project

Dear Mr. Barnett:

Attached is the Interconnection Facilities Study (IFAS) Report for the interconnection of the proposed 563MW Victorville 2 Project (VV2 or Project) to the California Independent System Operator (CAISO) Controlled Grid. The Point of Interconnection is at Southern California Edison (SCE) Victor 220 kV Substation. The IFAS was performed by SCE under the direction of the CAISO. The Project's proposed Commercial Operation Date is July, 2009.

This IFAS provides the specifications and cost estimates of equipment needed to physically and electrically interconnect the Project to the CAISO Controlled Grid. It also provides cost estimates for the Network Upgrades necessary to mitigate the overloaded transmission circuits caused by the Project. The estimate of time to construct these facilities is also provided. The IFAS is based upon the transmission system impacts identified in the Interconnection System Impact Study report issued by the CAISO on October 26, 2006.

The estimate cost to interconnect the Project to the Victor Substation is approximately **\$67.9 million** for case A and **\$140.1 million** for case B. The maximum cost exposure is **\$208 million**.

The CAISO has also completed a Deliverability Assessment for this project pursuant to LGIP section 3.3.3 and found that the project is partially deliverable without any Network Upgrades. It will be 100% deliverable if the HDPP SPS is modified to mitigate overloads caused by the Project during contingencies. The study results and assumptions for this Deliverability Assessment are posted on the CAISO website at <http://www.aiso.com/1f47/1f4791af23910.xls>

This Project is now approved to interconnect to the CAISO Controlled Grid after making the required system upgrades and be eligible to deliver the project's output using available transmission.

Should you have questions regarding the Study, please contact Ruhua You at (916) 608-5721 (ryou@caiso.com) or Judy Brown at (916) 608-7062 (jbrown@caiso.com).

Sincerely,

Original signed by David Le for

Ali Asraf Chowdhury
Director, Regional Transmission - South
California ISO

CAISO
151 Blue Ravine Road
Folsom, California 95630
(916) 351-4400

Page 1

Attachment

cc via e-mail:

Paul Sindelar (Paul.Sindelar@sce.com)
Edgardo Romero (Edgardo.Romero@sce.com)
Phillip Leung (Phillip.Leung@sce.com)
Tom Barnett (tbarnett@inlandenergy.com)
Tony Penna (tonypenna@inlandenergy.com)
Allen Cadreau (allencadreau@inlandenergy.com)

CAISO via email:

Judy Brown (Jbrown@caiso.com)
Ali Chowdhury (Achowdhury@caiso.com)
Ruhua You (Ryou@caiso.com)