



TETRA TECH EC, INC.

DOCKET

11-AFC-3

DATE MAR 20 2012

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March 20, 2012

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

**Cogentrix Quail Brush Generation Project - Docket Number 11-AFC-3, CAISO
Revised Second Addendum to the Cluster 1 & 2 Phase II Final Report and Cover
Letter**

Docket Clerk:

Pursuant to the provisions of Title 20, California Code of Regulation, and on behalf of Quail Brush Genco, LLC, a wholly owned subsidiary of Cogentrix Energy, LLC, Tetra Tech hereby submits a report prepared by the California Independent System Operator (CAISO) *Revised Second Addendum to the Cluster 1 & 2 Phase II Final Report* dated February 14, 2012, and its cover letter. 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

TETRA TECH EC, INC.



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

**APPLICATION FOR CERTIFICATION
FOR THE *QUAIL BRUSH GENERATION PROJECT***

DOCKET NO. 11-AFC-3
PROOF OF SERVICE
(Revised 2/29/2012)

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DECLARATION OF SERVICE

I, Constance Farmer, declare that on March 20, 2012, I served and filed a copy of the Cogentrix Quail Brush Generation Project (11-AFC-3) Status Report. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: [\[http://www.energy.ca.gov/sitingcases/quailbrush/index.html\]](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:

- 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 **NOT** marked "e-mail preferred."

AND

For filing with the Docket Unit at the Energy Commission:

- 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-3
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512 docket@energy.state.ca.us

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
mlevy@energy.state.ca.us

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.



February 14, 2012

Mr. Gary Palo
Cogentrix Energy, LLC
6 Belcourt Drive
Newport Beach, CA 92660

Subject: Quail Brush Power Project
Cluster Phase II Interconnection Study Second Addendum

Dear Mr. Palo:

Attached is the Revised Second Addendum to the Cluster 1 and 2 Phase II Interconnection Study Report for the interconnection of the proposed Quail Brush Power Project (Project) to the CAISO Controlled Grid. The purpose of the Revised Second Addendum is to modify the identification of certain network upgrades resulting from a re-assessment performed by the CAISO pursuant to the Technical Bulletin issued January 31, 2012 entitled "Generation Interconnection Procedures: Deliverability Requirements for Clusters 1-4."¹

Please replace the Second Addendum dated February 10, 2012 with this Revised Second Addendum dated February 14, 2012. The revisions consist of the following: a description was added to this Revised Second Addendum about the First Addendum dated January 17, 2012 and the costs for PTO's Interconnection Facilities and Network Upgrades on the SDG&E transmission system in Section C.1 of the Executive Summary were updated to match the costs in the First Addendum.

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

Sincerely,



Robert Sparks
Manager of Regional Transmission - South

Attachment

¹ The Technical Bulletin can be accessed on the ISO website at http://www.caiso.com/Documents/TechnicalBulletin-GeneratorInterconnectionProcedures-DeliverabilityRequirements-Clusters1-4Jan31_2012.pdf

via e-mail:

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Revised Second Addendum to Appendix A – C565

Cogentrix Energy, LLC

Quail Brush Power Project

**Revised Second Addendum To The
Cluster 1 & 2 Phase II Final Report**



California ISO
Shaping a Renewed Future

February 14, 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 Cluster 1 and 2 Phase II (C1C2 Phase II) Study report dated August 24, 2011 for its Interconnection Request (IR) to the California Independent System Operator Corporation (CAISO) for their proposed Quail Brush Power Project (Project) interconnecting queue position C565. Subsequent to the distribution of the report, on January 17, 2012, the IC received an Addendum (First Addendum) to revise the Point of Interconnection (POI) for the Project from San Diego Gas and Electric's (SDG&E) Miguel-Mission 230 kV transmission line to the 138 kV bus of SDG&E's Carlton Hills Substation. On February 10, 2012, the IC received the Second Addendum to Appendix A to reflect the C1C2 Phase II Re-assessment. This Revised Second Addendum to Appendix A corrects the references to the original POI.

Subsequent to the distribution of the report and First Addendum, the CAISO performed additional studies (C1C2 Phase II Re-assessment) to re-assess certain upgrades by applying the criteria in the Technical Bulletin issued January 31, 2012 entitled "Generation Interconnection Procedures: Deliverability Requirements for Clusters 1-4."¹ This addendum to the C1C2 Phase II report (Revised Second Addendum) contains a revised identification of Network Upgrades resulting from the re-assessment. The underlying assumptions and results of the re-assessment are set forth in the C1C2 Phase II Re-assessment, which is available on the CAISO website at the following location:

http://www.caiso.com/Documents/TechnicalReport_cluster1_2DeliverabilityRe-Assessment.pdf

The following identified sections and corresponding changes replace and supersede those same sections in the IC's C1C2 Phase II Study report dated August 24, 2011, the First Addendum dated January 17, 2012, and the Second Addendum dated February 10, 2012.

Summary of changes:

- A. Replace Section B.1.b. of the Executive Summary on page 3 with the following to reflect the removal of the Network Upgrades on the SCE system

B. Adverse impacts identified by the study are mitigated by:

1. The following Delivery Network Upgrades, which must be constructed for the Project to be fully deliverable:

b. SCE System

*i. Loop Lugo-Mohave 500 kV transmission line into Pisgah Substation – **Per the C1C2 Phase II Re-assessment, this upgrade is no longer being assigned to the Project***

*ii. Add Series Capacitor Banks on Nipton-Pisgah & Mohave-Pisgah 500 kV transmission lines – **Per the C1C2 Phase II Re-***

¹ The Technical Bulletin can be accessed on the ISO website at http://www.caiso.com/Documents/TechnicalBulletin-GeneratorInterconnectionProcedures-DeliverabilityRequirements-Clusters1-4Jan31_2012.pdf

assessment, this upgrade is no longer being assigned to the Project

iii. Add new Red Bluff-Valley 500 kV transmission line – Per the C1C2 Phase II Re-assessment, this upgrade is no longer being assigned to the Project

iv. Add Colorado River-Red Bluff No.3 500 kV transmission line – Per the C1C2 Phase II Re-assessment, this upgrade is no longer being assigned to the Project

- B. Replace Section C.1. of the Executive Summary on pages 3 and 4 with the following to reflect the removal of the Network Upgrades on the SCE system
- 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 non-binding, good faith cost estimate of the PTO's Interconnection Facilities² to interconnect the Project is approximately **\$1,382,000**, exclusive of ITCC³. The non-binding, good faith cost estimate for the Network Upgrades⁴ to interconnect the Project and be fully deliverable is approximately **\$1,469,000** on the SDG&E transmission system and **\$28,268,000** on the SCE transmission system – **Per the C1C2 Phase II Re-assessment, the cost of \$28,268,000 of upgrades on SCE's transmission system is no longer being assigned to the Project.***

- C. Replace Section 4.3 on page 9 with the following:

4.3 Operational Deliverability Assessment

The assumptions used to perform the operational Deliverability Assessment are presented in the Group Report. Based on the study results, the Project will have FC Deliverability Status after the SDG&E area upgrades in Table 11.1 are completed (which are expected to be completed before the Project's In-Service Date), subject to the constraints and potential limitations identified in the C1C2 Phase II Re-assessment.

- D. Revise Section 11.2 on page 20 to remove Table 11.2: SCE Upgrades, Estimated Costs, and Estimated Time to Construct Summary – Per the C1C2 Phase II Re-assessment, the SCE Upgrades no longer apply to the Project

The remainder of the Phase II Study is unaffected by the re-assessment.

² 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.

³ Income Tax Component of Contribution

⁴ 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.