

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 8, 2007

Judith B. Sanders, Counsel
California ISO
151 Blue Ravine Road
Folsom, CA 95630

**Re: Request for Information Regarding Proposed Sunrise Powerlink
Transmission Project, Application No. 06-08-010**

Dear Ms. Sanders,

As you are aware, the California Public Utilities Commission (CPUC) and the U.S. Bureau of Land Management (BLM) are preparing an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for SDG&E's proposed Sunrise Powerlink Transmission Project. The California Independent System Operator (ISO) reviewed the Sunrise Powerlink proposal as part of the "Sun Path Project Study" in July 2006, and in support of testimony filed before the CPUC on January 26, 2007 and March 1, 2007. As part of the EIR/EIS preparation process, we must identify indirect environmental impacts of SDG&E's Proposed Project and compare those impacts to the baseline conditions.

Our questions are as follows:

Background. CAISO conducted economic and reliability assessments of four cases in advance of the January and March 2007 testimony. The Base Case of "No Sunrise" includes 600 MW of geothermal resources added in the Salton Sea/IID area (CAISO testimony 3/1/07, p. 5), and the "Sunrise" and "Green Path + LEAPS" cases include a total of 2500 MW of renewable resources in the same area (1600 MW of new geothermal generation and 900 MW of new solar generation at Imperial Valley Substation, CAISO testimony 1/26/07, p. 28). As part of the EIR/EIS preparation process for Sunrise, we are considering whether generation projects in the area could potentially be considered under CEQA or NEPA as "connected" or "indirect" actions, or "cumulative projects."

Request ISO-1: Please describe whether CAISO considers construction and operation of new geothermal or solar generation in the Imperial Valley to be a reasonably foreseeable, indirect consequence of approving SDG&E's Sunrise project.

Background. CAISO claims that the "non-quantifiable" benefits of the Sunrise project include replacing generation from natural gas fired plants (CAISO testimony 1/26/07, p. 53). In the July 2006 Sun Path Study, this benefit is explained as being due to "more efficient and renewable generation outside San Diego." Although importing power should benefit air quality in San Diego County, shifting generation eastward could be a detriment to Imperial

County, depending on the source of the incremental generation. In order to better characterize potential air quality consequences to Imperial County, we seek CAISO's assistance in quantifying the effect Sunrise would have on dispatch of generators. For example, it is not clear if air quality benefits would occur on an annual-average basis or only during those times of day when imported solar power displaces fossil-fueled power generated locally in San Diego.

Request ISO-2: Please describe the difference in generation by power plant between the Base Case and the Sunrise case. Identify which generators would provide the incremental power and which generators would be displaced. Please focus on the expected changes in annual generation at plants in San Diego County, Imperial County, and Mexico for each year modeled by the CAISO for its 3/1/07 testimony.

Request ISO-3: If quantification of the emission benefits is possible, please estimate the quantity of the overall annual emission reduction caused by Sunrise compared to the Base Case (e.g., an analysis of nitrogen oxides or NOx in tons per year, similar to that in the CAISO February 2005 Economic Evaluation of the Palo Verde-Devers Line No. 2). Please provide the quantity of emission increases or decreases at power plants in Imperial County and Mexico.

We would appreciate your prompt responses to these requests, which will allow us to maintain our current EIR/EIS schedule. If possible, please respond to these items within ten working days (by March 23, 2007). Any questions on this information request should be directed to me at (415) 703-2068.

Sincerely,

Billie C. Blanchard, AICP, PURA V
Project Manager for Sunrise Powerlink Project
Energy Division, CEQA Unit

cc: Sean Gallagher, CPUC Energy Division Director
Ken Lewis, CPUC Program Manager
Steve Weissman, ALJ
Traci Bone, Advisor to Commissioner Grueneich
Nicholas Sher, CPUC Legal Division
Lynda Kastoll, BLM
Susan Lee, Aspen Environmental Group