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May 14, 2009

DOCKET
07-AFC-6
DATE MAY 14 2009
RECD. MAY 14 2009

VIA EMAIL

Mr. Mike Monasmith
Project Manager CECP
California Energy Commission
mike.monasmith@energy.state.ca.us

Re: San Diego Gas & Electric (SDG&E) Comments on the Preliminary Staff Assessment for Carlsbad Energy Center Project, Docket 07-AFC-6

Dear Mr. Monasmith:

SDG&E has reviewed the Preliminary Staff Assessment for the above-referenced project (PSA) and requests some minor changes in the description of interconnection activities. The PSA correctly describes proposed SDG&E upgrades and changes required to interconnect the Carlsbad Energy Center Project (CECP), including a new 230 kV switchyard and connection to the existing SDG&E Encina 138 kV Switchyard. (See "Transmission System Engineering" section.) Some of these activities are planned for an approximately 13.4 acre parcel owned by SDG&E. The parcel is located southeast of the CECP project and currently serves as the site for Cannon 138/12 kV Substation ("the Cannon Substation parcel").

For completeness, SDG&E recommends that the Final Staff Assessment include a description of certain additional activities that are planned for the Cannon Substation that could occur at approximately the same time as CECP construction. These activities are as follows.

1. Modification of the existing Cannon Substation to add facilities to interconnect with the Poseidon Desalination Project. This project was previously approved by the California Coastal Commission and could begin construction prior to or after possible approval by the CEC of the CECP.

2. Installation of a new 230/138 kV transformer within the Cannon Substation parcel in connection with SDG&E's Sunrise Powerlink Project previously identified in its application to the CPUC and approved in its final decision on that project. This is likely to occur subsequent to commencement of construction of the CECP, if it is approved by the CEC, probably in 2011.

Neither of these activities change the area of disturbance for the proposed activities on the Cannon Substation parcel that were analyzed in the PSA. They also do not change the analysis of "downstream" electrical facilities as set forth in the PSA. At some future time, the existing Encina Switchyard may be relocated to the Cannon Switchyard in the event Encina Unit 4 is shutdown. This possibility is already reflected in the Project Enhancement and Refinement (PEAR), July 25, 2008, which is included the California Energy Commission ("CEC") Docket for the CECP. See Revised Figure 2.1-1, CECP Plot Plan. Whether and when this relocation may occur is uncertain; SDG&E does not expect this to occur during the time of construction of the CECP interconnection and other activities listed above.

To clarify the CEC's record, SDG&E recommends the following additions to the end of the Transmission System Engineering section of the PSA, page 5.5-7:

> "Installation of a new 230/138 kV transformer, new 138 kV switchyard in a double bus-double breaker arrangement, and associated 138 kV line rearrangements are planned for the area directly north of the proposed new 230 kV switchyard at Encina East. The transformer addition is one of the upgrade projects for the Sunrise Powerlink Project. The 138 kV switchyard and line rearrangements are required to connect the transformer to the transmission system.
>
> "Additionally, the footprint of the existing Cannon Substation will be expanded by about 35% within the 13.4 acre parcel surrounding Cannon Substation to serve the load addition of the Poseidon Desalination Plant Project. The proposed alterations will add 12 kV load capacity to meet the Poseidon Desalination Project's energy requirements but will not increase the existing 138 kV voltage rating of the Cannon Substation. The Cannon Substation alterations will also relocate one of the two existing 138 kV transmission lines at the existing Cannon Substation to the new Encina East Substation 138 kV switchyard once Encina East is built. This relocation will also take place within the 13.4 acre parcel."

SDG&E does not believe that any changes to the substantive analysis or conclusions in the PSA are required. SDG&E therefore respectfully requests that staff incorporate the foregoing language into the Final Staff Assessment. Please note that these technical comments are made in support of the CEC process in order to better plan for the CECP and other projects. SDG&E does not intend to imply either approval of any project by the CEC or other agencies or the execution of any agreement between SDG&E and any party relating to these projects. Please contact me if you have any questions concerning these comments.

Sincerely yours,

Taylor Miller

Taylor O. Miller

Cc: John McKinnsey, Esq.
Richard Ratliff, Esq.