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07-AFC-6
DATE MAR 28 2012
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STATE OF CALIFORNIA

Energy Resources Conservation
and Development Commission

In the Matter of: Application for Certification for the Carlsbad Energy Center Project (CECP)	))))	Docket No. 07-AFC-6

Letter Request by City of Carlsbad and the City of Carlsbad as successor agency to the former Carlsbad Redevelopment Agency to Reopen Proceedings and Consider New Information from the California Independent Service Operator

On March 28, 2012, the Siting Committee on the Carlsbad Energy Center Project (CECP) issued a Revised Presiding Member's Proposed Decision (RPMPD). The RPMPD recommends that the Commission make a finding that the project is needed for the public convenience and necessity and that specific state and local laws, ordinances, regulations, and standards (LORS) applicable to the project be overridden. The evidentiary basis for this recommended finding lies in significant part on the written and oral testimony of the California Independent System Operation (ISO). The Committee may not be aware that in a proceeding before the California Public Utilities Commission (CPUC), the ISO has admitted that the same analysis and reports used to reach its conclusions in the CECP proceeding contain a significant error.

On March 9, 2012, the California Independent System Operator (ISO) filed testimony in proceeding A.11-05-023 before the California Public Utilities Commission (CPUC) with the purpose to "describe the San Diego area local capacity needs that the ISO has identified through its annual local capacity assessment and through its once through cooling study." The testimony was based on their 2012 LCR Study, 2016 LCR Study, and OTC Study. The ISO scheduled a workshop for March 21, 2012 to discuss their testimony and the underlying studies. On March 19, 2012, the CPUC Administrative Law Judge on the proceeding informed the parties that:

> "...the ISO has become aware of a change to the categorization of Sunrise Powerlink & IV-Miguel transmission line that the ISO expects will have a <u>significant impact on the conclusions</u> that it presented in its March 9 prepared testimony." (E-mail from ALJ Hallie Yacknin RE: March 21 Informational Workshop at CPUC -- A.11-05-023, SDG&E app for approval of PPTAs, March 19, 2012, (emphasis added)

Rather than holding a workshop on March 19, 2012, the ISO held a conference call to inform the parties that based on the assumptions it used in its studies, they calculated a lower import capability on the transmission system. As a result they will have to revise the analysis used in each of the studies and revisit all of their filed testimony. They acknowledged that the change may have "broad impacts" on their assessments and conclusions. During the March 21,

2012 conference call, the CPUC's Division of Rate Payer Advocates raised other issues related to differing assumptions in various ISO studies on energy efficiency and demand response and the use of standardized planning assumptions adopted by the CPUC. The ISO stated on the conference call that they will be revising its assessments and resubmitting its testimony to the CPUC later in April. A new workshop to discuss the revised ISO analysis is now scheduled to be held at the CPUC on April 18, 2012. Following the workshop, the CPUC will then allow other parties to submit their testimony and will hold hearings on the issues associated with the need to additional capacity in the San Diego area this summer.

Although the testimony submitted by the ISO in the Energy Commission's CECP proceeding was not discussed on the March 21, 2012 conference call, its testimony before the CECP Siting Committee on December 12, 2011 was based on information completed even before some of the draft study reports were released. Consequently, there is a high likelihood that the testimony submitted by the ISO in the CECP proceeding may also be in error and the revised analysis may have "broad impacts" on their assessment and conclusion. Because it is critical to the Committee's informed decision-making, the City of Carlsbad anticipates filing a motion requesting the CECP Siting Committee to either: (a) exclude the CAISO written and oral testimony of December 12, 2011, or (b) delay the close of the comment period on the RPMPD for the CECP proceeding until a final, fully vetted, CAISO report is available and considered by the Committee.

Dated: March 28, 2012

Ronald R. Ball
City Attorney for the City of Carlsbad and
General Counsel for Carlsbad Redevelopment Agency
1200 Carlsbad Village Drive
Carlsbad, CA 92008
(760) 434-2891

Allan J. Thompson
Special Counsel for City of Carlsbad and
Carlsbad Redevelopment Agency
21 "C" Orinda Way, #314
Orinda, CA 94563
(925) 258-9962

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 *CARLSBAD ENERGY CENTER PROJECT*

Docket No. 07-AFC-6
PROOF OF SERVICE
(Revised 3/27/2012)

APPLICANT
Jennifer Hein
George Piantka, PE.
NRG Energy, Inc., West Region
5790 Fleet Street, Ste. 200
Carlsbad, CA 92008
jennifer.hein@nrgenergy.com
george.piantka@nrgenergy.com

APPLICANT'S CONSULTANTS
Robert Mason, Project Manager
CH2M Hill, Inc.
6 Hutton Centre Drive, Ste. 700
Santa Ana, CA 92707
Robert.Mason@ch2m.com

Megan Sebra
CH2M Hill, Inc.
2485 Natomas Park Drive, Ste. 600
Sacramento, CA 95833
Megan.Sebra@ch2m.com

COUNSEL FOR APPLICANT
John A. McKinsey
Stoel Rives, LLP
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
jamckinsey@stoel.com

INTERESTED AGENCIES
California ISO
e-recipient@caiso.com

INTERVENORS
Terramar Association
Kerry Siekmann & Catherine Miller
5239 El Arbol
Carlsbad, CA 92008
siekmann1@att.net

City of Carlsbad
South Carlsbad Coastal
Redevelopment Agency
Allan J. Thompson
21 "C" Orinda Way #314
Orinda, CA 94563
allanori@comcast.net

City of Carlsbad
South Carlsbad Coastal
Redevelopment Agency
Joseph Garuba,
Municipals Project Manager
Ronald R. Ball, Esq., City Attorney
1200 Carlsbad Village Drive
Carlsbad, CA 92008
Joe.Garuba@carlsbadca.gov
ron.ball@carlsbadca.gov

California Unions for Reliable Energy (CURE)
Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
gsmith@adamsbroadwell.com
mdjoseph@adamsbroadwell.com

Center for Biological Diversity
c/o William B. Rostov
EARTH JUSTICE
426 17th Street, 5th Floor
Oakland, CA 94612
wrostov@earthjustice.org

Power of Vision
Julie Baker & Arnold Roe, Ph.D.
4213 Sunnyhill Drive
Carlsbad, California 92013
julbaker@pacbell.net
roe@ucla.edu

Rob Simpson
Environmental Consultant
27126 Grandview Avenue
Hayward, CA 94542
rob@redwoodrob.com

April Rose Sommer
Attorney for Rob Simpson
P.O. Box 6937
Moraga, CA 94570
aprilsommerlaw@yahoo.com

ENERGY COMMISSION – DECISIONMAKERS

KAREN DOUGLAS
Commissioner and Associate Member
kldougla@energy.state.ca.us

Galen Lemei
Adviser to Commissioner Douglas
glemei@energy.state.ca.us

Tim Olson
Adviser to Commissioner Douglas
tolson@energy.state.ca.us

Paul Kramer
Hearing Officer
pkramer@energy.state.ca.us

ENERGY COMMISSION STAFF
Mike Monasmith
Siting Project Manager
mmonasmi@energy.state.ca.us

Dick Ratliff
Staff Counsel
dratliff@energy.state.ca.us

ENERGY COMMISSION – PUBLIC ADVISER
Jennifer Jennings
Public Adviser's Office
publicadviser@energy.state.ca.us

*indicates change

DECLARATION OF SERVICE

I, Flora Waite, declare that on March 28, 2012, I served and filed a copy of the attached LETTER REQUEST BY CITY OF CARLSBAD AND THE CITY OF CARLSBAD AS SUCCESSOR AGENCY TO THE FORMER CARLSBAD REDEVELOPMENT AGENCY TO REOPEN PROCEEDINGS AND CONSIDER NEW INFORMATION FROM THE CALIFORNIA INDEPENDENT SERVICE OPERATOR. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at: **[www.energy.ca.gov/sitingcases/carlsbad/ 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:

_X_ Served electronically to all e-mail addresses on the Proof of Service list;

_X_ 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 marked "hard copy required."

AND

For filing with the Docket Unit at the Energy Commission:

_X_ by sending an original paper copy and one electronic copy, mailed with the U.S. Postal Service with first class postage thereon fully prepaid and e-mailed respectively, to the 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. 07-AFC-6
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.

Flora Waite

*indicates change