



California Independent System Operator Corporation

July 30, 2007

Mr. Jim Richards  
Kings River Conservation District  
4886 E. Jensen Avenue  
Fresno, CA 95725

<b>DOCKET</b>	
<b>07-AFC-7</b>	
<b>DATE</b>	JUL 30 2007
<b>RECD.</b>	SEP 27 2007

**Subject:** KRCD Community Power Plant Interconnection System Impact Study Report

Dear Mr. Richards:

Attached is the Interconnection System Impact Study (ISIS) Report for the interconnection of the proposed 565 MW Kings River Conservation District (KRCD) Community Power Plant to the Pacific Gas & Electric Company's (PG&E) McCall 230 kV Substation located in Fresno County, California. The ISIS was performed by PG&E under the direction of California ISO in accordance with the CAISO's LGIP tariff. The Project's proposed Commercial Operation Date is December 1, 2010.

The results of this ISIS indicate that the project would cause overloading of numerous transmission lines both under normal as well as under contingency conditions. These overloads are significantly reduced when the study was repeated *without* the San Joaquin Valley Energy Center (SJVEC) project in the base cases. The study further found that no circuit breakers are overstressed beyond their rated capabilities at the McCall substation or at the neighboring substations.

The non-binding cost estimate of the direct assignment facilities to interconnect the Project would be approximately **\$3.85 million**, exclusive of ITCC<sup>1</sup>. The non-binding cost estimate for the network upgrades to interconnect the Project would be approximately **\$92 million or \$26.9 million** depending upon whether the SJVEC project remains in or withdraws from the ISO Queue respectively. This cost is also exclusive of ITCC.

Upon completion of the remaining Interconnection Studies, this project may interconnect to the CAISO Controlled Grid after making the required system upgrades and be eligible to deliver the project's output using available transmission. However, the interconnection studies do not establish the generation project's level of deliverability for purposes of determining its Net Qualifying Capacity under the CAISO Tariff and in accordance with CPUC-adopted Resource Adequacy Rules. Therefore, this letter makes no representation, and KRCD cannot rely on any statements herein, regarding the ability, or amount, of the output of the project to be eligible to sell Resource Adequacy Capacity.

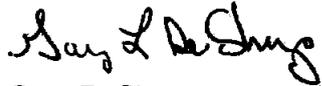
The CAISO is currently conducting the Deliverability Assessment of a number of projects including this project, and would be posting the results on its website in about a month. Those results will establish whether or not the project is fully or partially deliverable to the CAISO Grid. If the project is found to be only partially deliverable, the results will also provide a list of network upgrades necessary to make the project 100% deliverable.

<sup>1</sup> Income Tax Component of Contribution

The ISIS results meeting will be coordinated and scheduled by the ISO Project Manager Ed Fishback (916) 608-5836 ([EFishback@caiso.com](mailto:EFishback@caiso.com)) within 10 business days following receipt of this Interconnection System Impact Study Report.

Should you have questions regarding the Study, please contact Nisar Shah at (916) 608-7376 ([nshah@caiso.com](mailto:nshah@caiso.com)) or myself at (916) 608-5880 ([GDeShazo@caiso.com](mailto:GDeShazo@caiso.com)).

Sincerely,



Gary DeShazo  
Director of Regional Transmission - North

DP/GD:dd

Attachment

cc:

via e-mail:

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Paul Maxwell ([Pmaxwell@navigantconsulting.com](mailto:Pmaxwell@navigantconsulting.com))  
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CAISO via email:

Ed Fishback ([EFishback@caiso.com](mailto:EFishback@caiso.com))  
Dennis Peters ([DPeters@caiso.com](mailto:DPeters@caiso.com))  
ISO Regional Transmission North & South

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