



## CALPINE CORPORATION

MARK J SMITH  
VICE PRESIDENT, MARKET DESIGN  
4160 DUBLIN BLVD  
SUITE 100  
DUBLIN, CA 94568  
925-557-2231  
925-479-9561 (F)

October 28, 2011

Kent Bolton  
Staff Engineer  
Western Electricity Coordinating Council  
155 North 400 West  
Suite 200  
Salt Lake City, Utah 84103-1114

Dear Kent, *Kent*

Pursuant to the "Overview of Policies and Procedures for Project Coordination Review, Project Rating Review, and Progress Reports", Calpine, acting as Project Sponsor for the Sutter Generating Project Interconnection rated-path review, seeks a waiver of the requirement for a Project Coordination Review.

### Background:

Calpine owns and operates the Sutter Power Plant near Yuba City, California. The plant is a nominal 550 MW combined-cycle, natural gas-fired facility and is currently interconnected to the Western Area Power Administration. Calpine is seeking a new point of interconnection to the PG&E network to allow direct access to CAISO markets. The new interconnection request, which is progressing in the CAISO queue, would be on the Table Mountain – Tesla 500 kV line. The CAISO interconnection studies have identified certain mitigation requirements including the need to review any effects on adjoining systems. In addition, the CAISO and WECC procedure requires us to mitigate any adverse effects on WECC rated paths.

### Rated-Path Review

We have notified all members of the TSS of our intention to study the project and identify effects on rated paths and reasonable mitigation measures. In doing so, please note that Calpine is not seeking a new or revised rating for any path, merely an assessment of rated paths to ensure that appropriate mitigation is placed in service to ensure that the current ratings are not adversely affected.

We have established a Project Review Group, called the Sutter Study Review Group ("SSRG"). We have held several meetings and have developed a consensus-based process approach and study plan. The results of the study will be condensed into a single report combining the elements of a Comprehensive Progress Report and a Project Review Group Phase 2 Rating Report. Specifically, we will identify any impacts of the operation of the Sutter Power plant on WECC rated paths and also, identify any mitigation measures needed to resolve violations on affected systems or to solve adverse simultaneous impacts on the rated paths. With this in mind, the SSRG is effectively conducting a study that incorporates elements of both Phase 1 and Phase 2. Accordingly, on October 14, I notified the PCC Chair of Calpine's desire to expedite the Rating Process per Section 3.3 of the Procedures for Project Rating Review (page III-58).

### Waiver Request

Members of the SSRG have recommended that we seek a waiver of the requirement to initiate a "Project Coordination Review" ("PCR"). As you know, the PCR is to ensure a broad review of proposed transmission projects and engage a regional dialog of efficiency and alternatives. In particular the purpose of the PCR is to identify "how transmission project sponsors should work and interact with other interested parties when developing a significant transmission project." (Process for Project Review Coordination ("PPRC") at page III-39) Further, the

PPRC allows for a waiver of the requirement for this step if "[t]he transmission project does not have a significant impact on the operation of the WECC interconnected electric system."

We request a waiver of this obligation pursuant to section 4, page III-42 of the PPRC. No member of the SSRG participating in the first meeting objected to the granting of such a waiver.

By design, our rated-path review process will ensure that our interconnection will not have "a significant impact on the operation of the WECC interconnected system" because our purpose is to identify any and all operational impacts of the interconnection and mitigate them. Calpine believes that our outreach to TSS and the formation of a Study Group adequately satisfies the objectives of the PRC which were designed predominantly for transmission projects and not generation interconnections.

Please circulate our request as needed to WECC staff and TSS.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark", with a stylized flourish at the end.

Mark J. Smith  
Vice President, Market Design