

**A.13-09-014 SDG&E 12/18/14 Response
Salt Creek Substation Project PTC
ED-SDGE-021**

Please note that the items highlighted in **yellow** are confidential pursuant to CPUC Section 583, General Order 66-C and any applicable Non-Disclosure Agreements; Confidential Non-Public Information exempted from disclosure under federal and state law.

#	PEA Section/DR	Request	SDG&E Response
1.	ED-SDGE-21 (sent via email from Susanne Heim on 11/21/14)	<p>We have further data requests related to the alternative with limited generation of local resources. SDG&E suggested in data request response 13.3, that without addition of the 69kV line between Salt Creek and Miguel there will be a greater reliance on the use of border area generation (CalPeak and Larkspur Units).</p> <ol style="list-style-type: none"> 1. Please provide SDG&E’s Power Purchase Agreements with the Larkspur Energy Facility (LEF) and the Calpeak Border Peaker Project. 2. Please provide an estimate, covering 2017 through 2027, of the requirement for generation at Cal-Peak Border and LEF to avoid exceeding emergency limits (voltage or line loading) under outage of the single 69 kV link between Salt Creek and Miguel. Assume the previously provided load profiles and peak estimates (DR019) without a second 69 kV line between Salt Creek and Miguel. Provide the total MWh production by year and by resource that is estimated for the above condition. 3. Your response to DR #19 stated that “running peaker generation...increases the market power of local generation by creating a permanent reliance on that generation to mitigate a transmission issue thus potentially increasing ratepayer energy costs.” What would be the additional cost to use these resources relative to construction of the proposed power line? 	<ol style="list-style-type: none"> 1. SDG&E does not have PPAs with the Larkspur Energy Facility or the Calpeak Border Peaker Project. 2. See the chart below for estimates. In general, one peaking unit is likely required in 2017 and two peaking units are likely required by 2024. SDG&E’s current study cycle runs through 2024; the estimated forecast for 2027 has not been determined. SDG&E does not have the MW-hr estimates but can provide them given additional time for analysis (2~3 weeks starting in 2015). Please let us know if MWh estimates are still desired after reviewing this response. 3. SDG&E performed an economic analysis earlier in 2014 in an attempt to quantify the economic benefit of reducing the need for local Reliability Must Run (RMR) generation in the Border area. The study identified a range of “break-even” points for the second Miguel – Salt Creek 69kV line at which the avoided congestion costs would meet or exceed the capital cost of the project. The results show the breakeven point to be within a 3-9 year window depending on the amount of contingency assumed in the cost estimate. Reference confidential Attachments DR.21-1.3-1 and DR.21-1.3-2.

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The results below indicates the generation needs in Otay/Border area based on the following assumptions;

1. N-1 of the single Tie-Line constructed from Miguel (69kV) to the new Salt Creek 69kV Substation.
2. Non-Coincident Load values at Salt Creek, Borders, San Ysidro, Otay and Otay Lake Substation, for the years 2017, 2019 and 2024
3. The distribution load forecast values at Salt Creek, Telegraph Canyon, and Proctor Valley for the years 2017, 2019 and 2023 (as 2024)

Substation	Year	TL #	Loading	Loading + BD Gens	Dispatched		
					Border Gens (MW)		
Salt Creek - Miguel		TL6964	N-1	-	1	2	3
Otay - Otay Lake Tap	2017	TL649A	127.4%	64.7%	49	-	-
San Ysidro - Otay Tap	2017	TL623C	81.6%	58.6%		-	-
Otay - Otay Lake Tap	2019	TL649A	144.9%	81.0%	49	-	-
San Ysidro - Otay Tap	2019	TL623C	92.6%	64.7%		-	-
Otay - Otay Lake Tap	2024	TL649A	173.9%	53.0%	49	47	-
San Ysidro - Otay Tap	2024	TL623C	105.8%	53.1%			