

From: [Redacted]
Sent: 3/30/2010 3:09:17 PM
To: 'mjd@cpuc.ca.gov' (mjd@cpuc.ca.gov); kl1@cpuc.ca.gov (kl1@cpuc.ca.gov); pva@cpuc.ca.gov (pva@cpuc.ca.gov); Schwartz, Andrew (as2@cpuc.ca.gov)
Cc: Stock, William (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=WCS3); [Redacted]
Bcc:
Subject: Rio Bravo-Rocklin Interconnection Issue

Andy, Matt, Ken, and Peter -

Thank you for inviting us to discuss Rio Bravo – Rocklin’s concerns regarding its responsibility to upgrade its transformer at the point of interconnection due to the upgrade of PG&E’s transmission line. At our meeting on Monday, March 22, [Redacted] of PG&E’s Energy Contract Management group provided Peter with the following documents:

- Power purchase agreement
- Interconnection agreement
- Recent correspondence

The correspondence addressed the cost responsibility for interconnection upgrades and the potential for a higher capacity loss adjustment factor. You wished to know when Ultrapower (the original owner of the Rio Bravo Rocklin facility) first learned that the transmission line to which the facility is interconnected might be upgraded from 60 kV to 115 kV.

Attached to this email is an internal PG&E memo dated June 26, 1987 from a manager in PG&E’s Cogeneration and Qualifying Facilities (Cogen-QF) department requesting that PG&E’s Sacramento Valley Region undertake interconnection of the Rio Bravo – Rocklin facilities. As explained in the following paragraphs, the attachments to PG&E’s internal memo demonstrate that Ultrapower had actual knowledge in 1987 that the 60 kV lines to which it would interconnect would eventually be upgraded to 115 kV.

- On May 7, 1987, [Redacted] of PG&E’s Cogen-QF group transmitted to [Redacted], the contract manager for Ultrapower, the “Detailed Interconnection Study Results for Ultrapower, Inc.’s 25 MW facility at Rocklin, Placer County, California” (Interconnection Study Summary). In his

transmittal letter, [Redacted] explained that the special facilities study assumed a voltage level of 60 kV, but noted, "However, PG&E plans to convert this area from 60 kV to 115 kV in the near future. If and when this area is converted to 115 kV, Ultrapower, Inc. will be responsible for converting its facilities and the associated special facilities to 115 kV operation. Ultrapower, Inc. may select to construct its facilities at 115 kV initially, thus, eliminating the future conversion costs." (See, pdf file, p. 2.)

- The above-quoted language appears in the Interconnection Study at the bottom of page 2 of the Study. (See, pdf file, p. 6.)
- On June 19, 1987, [Redacted] Project Development Manager for Ultrapower informed [Redacted] that, "if the area lines were to be upgraded to 115kv, we understand that this would require larger poles (45 ft. above elevation) and increased insulation on the dedicated power line. Assuming this to be true, we request that PG&E proceed with its detailed engineering cost estimate based upon 45 ft. power poles, a 60 kv line (initially) with increased insulation sufficient for 115kv conversion in the future, and a 40 ft. right-of-way within the property of the project (provided at no cost). (See, pdf file, p. 12, par. 4.)

PG&E's 1987 memo documents the fact that Ultrapower was aware of PG&E's plans to upgrade its interconnection point from 60 kV to 115 kV and ordered special facilities to accommodate the upgrade.

We expect to contact Rio Bravo - Rocklin in the next week or two to set up a meeting to discuss the issues that we discussed with you on March 22. We will let you know the results of that discussion. In the meantime, please feel free to contact [Redact] Bill Stock of PG&E's Regulatory Relations group, or me with any questions.

Regards,

[Redacted]

PG&E Law Department

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