

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

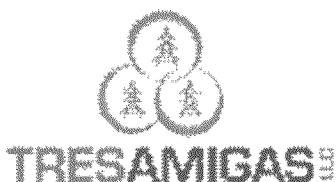
Order Instituting Rulemaking to Continue
Implementation and Administration of
California Renewables Portfolio Standard

Rulemaking 11-05-005
(Filed May 5, 2011)

NOTICE OF EX PARTE COMMUNICATION

Peter Esposito
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Chief Commercial Officer for Tres Amigas, LLC



December 16, 2011

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, Tres Amigas, LLC ("Tres Amigas") hereby gives notice of the following two ex parte communications.

Both communications occurred on December 14, 2011. The first communication, with Sara Kamins, Advisor to Commissioner Ferron, was from 9:00 AM to 9:30 AM on the 5th floor of the Commission's San Francisco headquarters; the second communication, with Energy Division Director Edward Randolph, was from 10:00 AM to 11:00 AM on the fourth floor of the Commission's San Francisco headquarters. Both communications were oral and written (See Attachment A). [(Rule 8.4(a)]

Kevin Coffee, Vice President, Energy Markets and Procurement for ZGlobal Engineering and Energy Solutions initiated the meetings with Sara Kamins, Advisor to Commissioner Ferron, and with Energy Division Director Edward Randolph. Also in attendance for both communications was Peter Esposito, Chief Commercial Officer of Tres Amigas. [Rule 8.4(b)]

The discussion with Sara Kamins provided for an overview of the Tres Amigas project, its implications on transmission in the West and Tres Amigas' comments to the Proposed Decision of ALJ Ann Simon regarding eligibility of renewable energy resources interconnected to the WECC grid.

Tres Amigas requested clarification that electricity products from eligible renewable energy resources located within the WECC transmission network service area means electrically connected to a WECC balancing authority.

The discussion with Edward Randolph provided for an overview of the Tres Amigas project, and its implications on transmission in the West.

Written materials (PowerPoint presentation describing the Tres Amigas project) discussed at both meetings are included as an attachment (Attachment A). [Rule 8.4(c)]

To obtain a copy of this notice, please contact Monica Fleming at (916)985-9461.

Respectfully Submitted,

/s/ Peter Esposito

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Dated: December 16, 2011

APPENDIX A



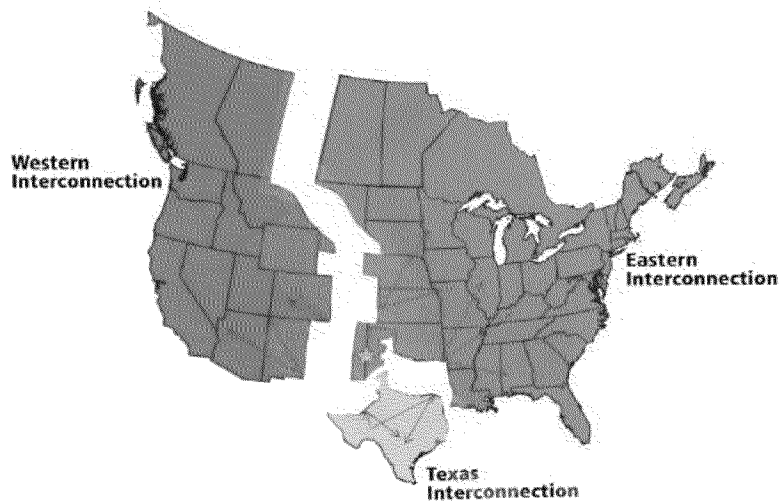
Tres Amigas LLC

Expanding Markets/Enhancing Reliability

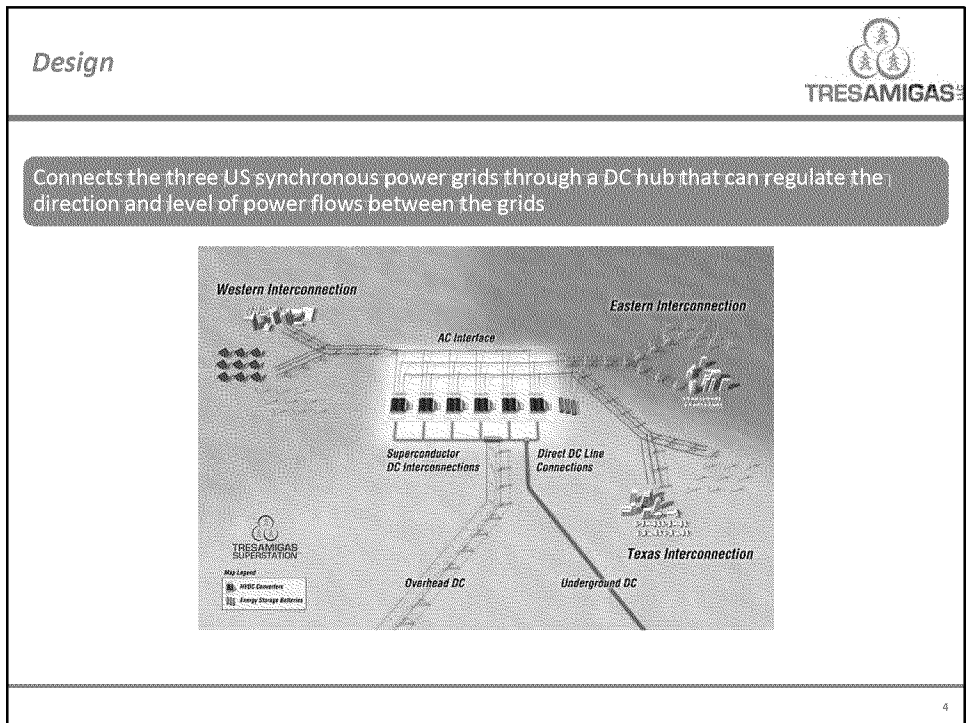
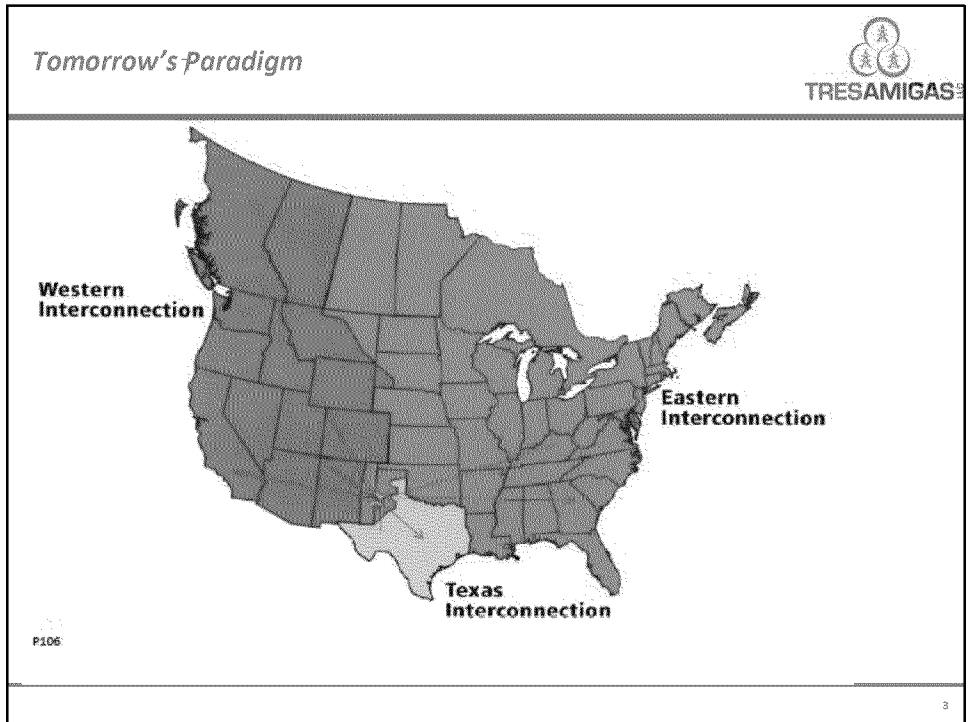
Peter G. Esposito
SR. Vice President & Chief Commercial Officer

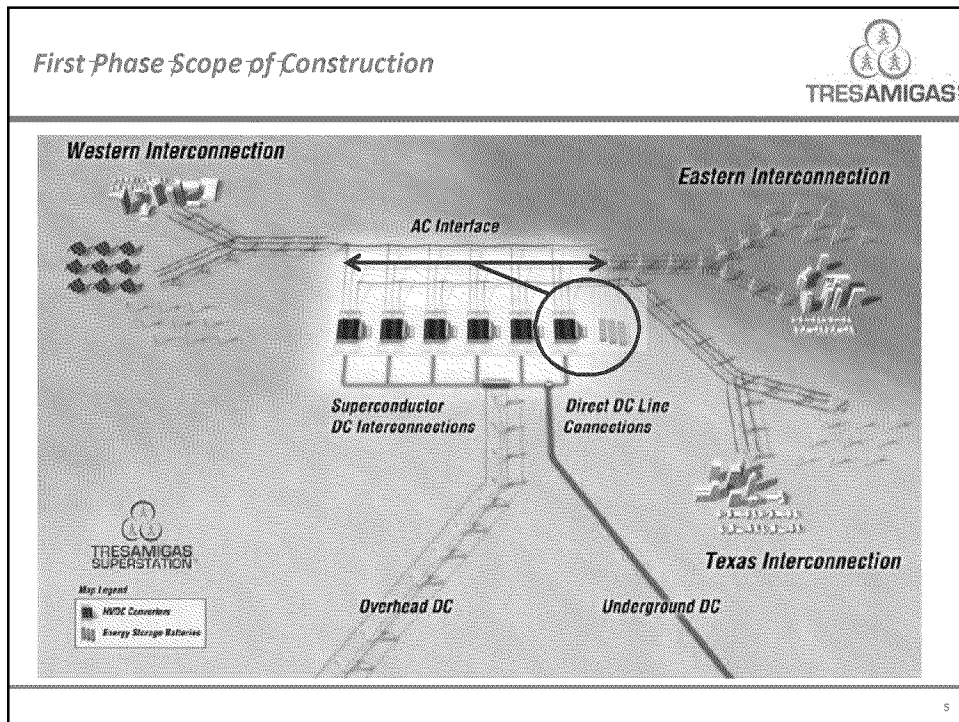
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Today's Paradigm



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Technology Breakthroughs: Converters

TRESAMIGAS

The latest proven technology in converters, Voltage Source Converter (VSC) technology will be used.

- VSC control systems determine both power levels and direction and are able to vary power levels from +100 percent to -100 percent incrementally (as desired). VSCs do this without any converter function interruption (IE, switching to AC) or equipment interruption (switching shunt banks or filters)
- Unlike traditional converter technology, VSC design supports the multi-terminal ring design goals of Tres Amigas and can be scalable
- The VSC converters make power control flow changes rapidly and accurately
- Dispatch control is significantly improved and simplified thereby improving the performance and efficiency of the interconnected AC networks

Technology Breakthroughs: Converters



Tres Amigas will be able to offer the following services to and between the grids:

- Sharing of spinning reserve
- Emergency power imports/exports
- Dynamic voltage support (reduces losses)
- Emergency assistance
- Black Start capability to restart a collapsed network

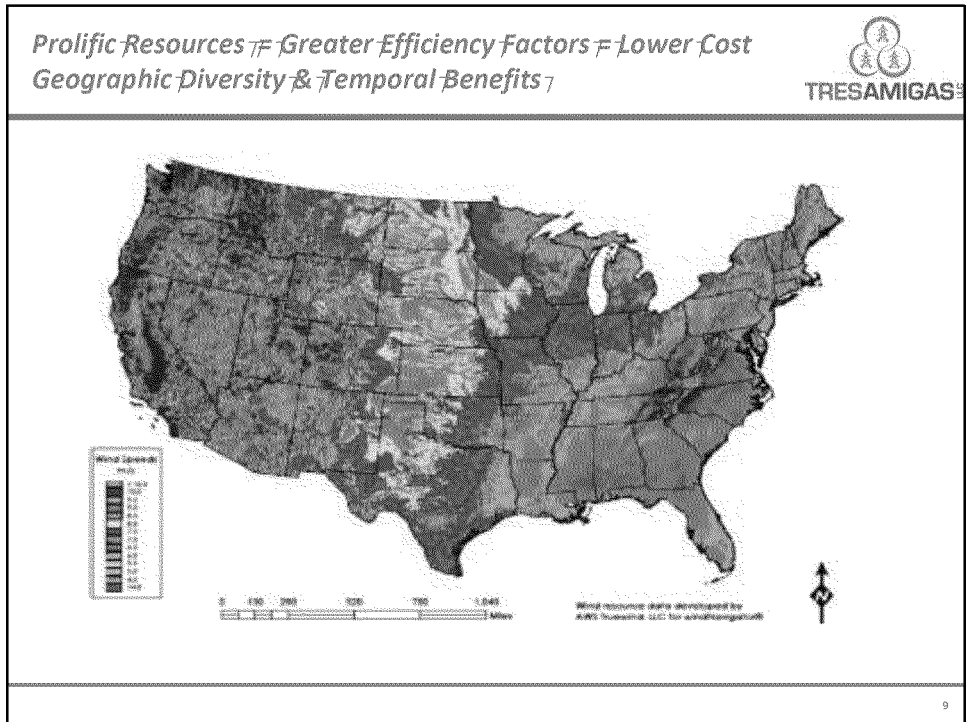
Tres Amigas Energy Management Systems



Tres Amigas will be a Balancing Authority in the Western Electrical Coordinating Council (WECC)

Tres Amigas has engaged Viridity Energy to develop a comprehensive Energy Management System (EMS)

- The EMS will allow Tres Amigas to dispatch disparate sources of energy to accommodate the development and delivery of hybrid energy products, e.g. wind/solar, wind/gas, wind/gas/solar.



Transmission from E. NM and W. TX to CA

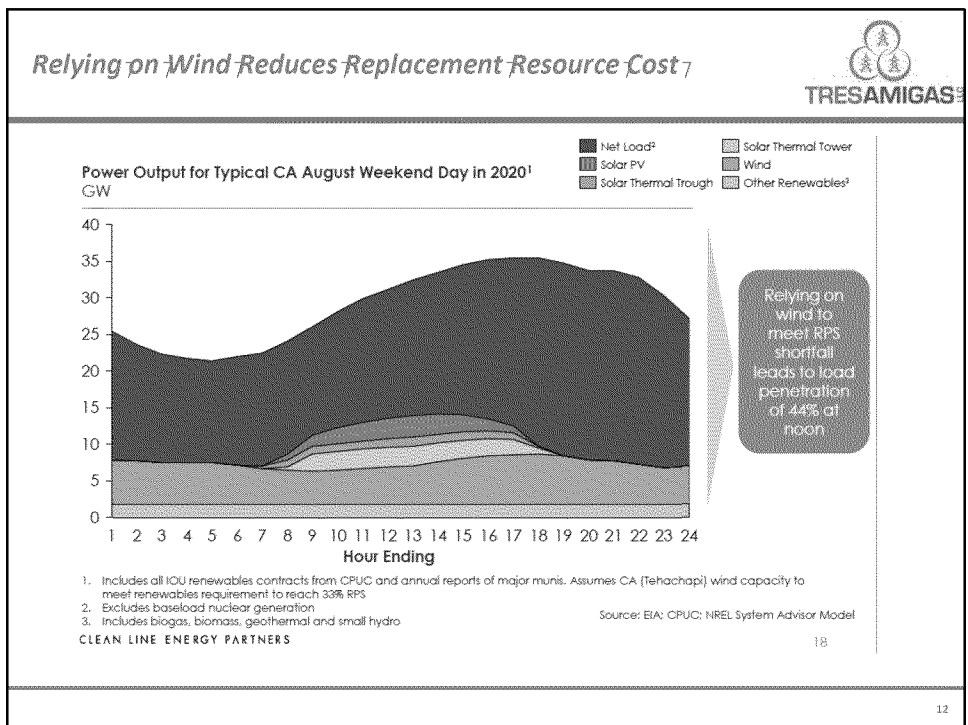
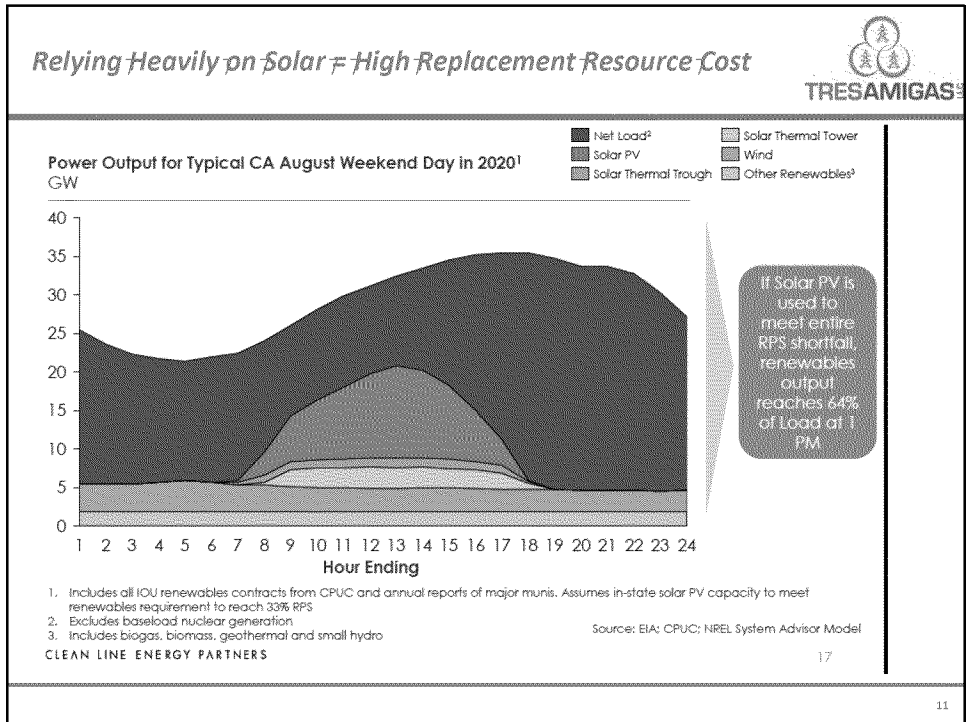
Existing:

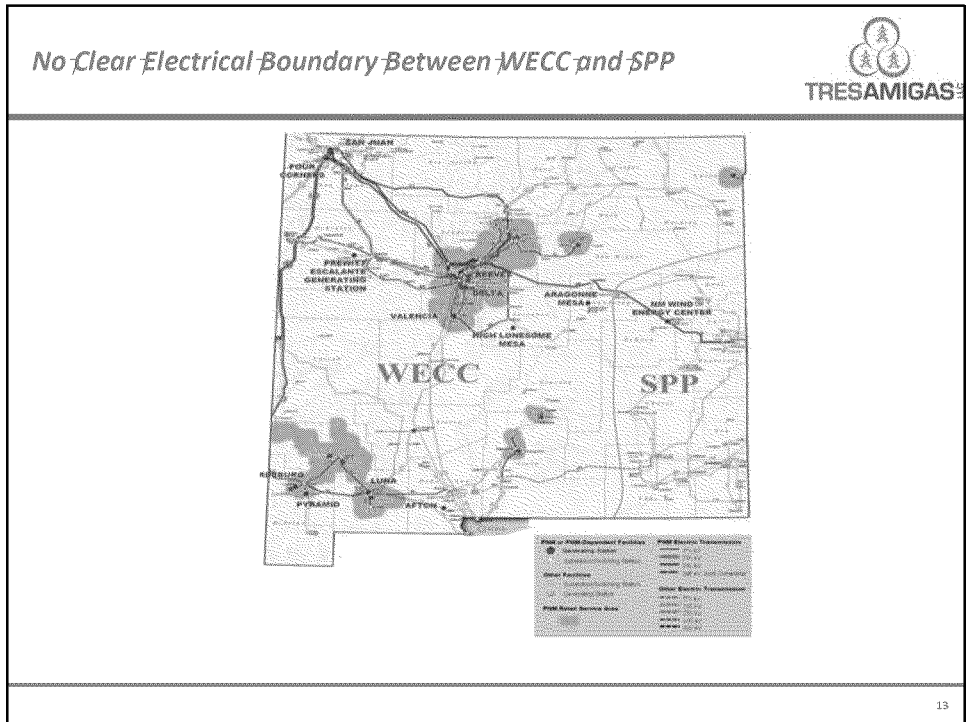
- PNM to Four Corners; Four Corners to CA

Planned:

- Clean Line Centennial
- Sun Zia
- Southline

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Take Aways

Thoughtful implementation of SB 1X will increase reliability and reduce cost

- Inclusive approach will benefit California, consistent with the statute

Tres Amigas will be a WECC Balancing Authority

- Direct connections
- Others functionally WECC sourced as a result of conversion to WECC frequency and TA scheduling/balancing authority function

Tres Amigas, independent transmission proposals along with wind and solar development in NM and West Texas spread costs and reduce risk of another 2000-01 energy crisis

- Diversification of sources will reduce reliance on hydro
- Geographic diversity will further reduce weather risk
- Reduced financial risk on CA ratepayers

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