



**Daniel A. King**  
Director – Regulatory & Compliance  
101 Ash Street, HQ15  
San Diego, CA 92101-3017  
Tel: 619.696.4350  
DAKing@SempraUSGP.com

**PUBLIC VERSION**  
**(Privileged Information Omitted Pursuant to 18 C.F.R. § 388.112)**

November 5, 2014

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Mesquite Power, LLC**  
**Docket No. EC15-\_\_\_**

Dear Ms. Bose:

Enclosed for filing is an “Application for Authorization of Transfer of Jurisdictional Assets and Request for Expedited Treatment” (“Application”) of Mesquite Power, LLC (“Mesquite Power”). Mesquite Power requests that the Federal Energy Regulatory Commission (“Commission”) authorize the transaction described in the Application, in which an unaffiliated third party will acquire 100% of the membership interests in Mesquite Power (“Proposed Transaction”).

**Request for Expedited Action.** For the reasons set forth in the Application, Mesquite Power respectfully requests that the Commission establish a twenty-one day comment period for this Application and issue an order granting the requested authorizations by no later than December 15, 2014, in order to allow for a closing of the Proposed Transaction as soon as possible thereafter. The Application qualifies for expedited action under Section 33.11 of the Commission’s regulations<sup>1</sup> because the Proposed Transaction does not involve a merger or require a competitive screen analysis, is consistent with Commission precedent, and raises no cross-subsidization concerns.

**Request for Confidential Treatment.** Pursuant to Section 388.112 of the Commission’s regulations,<sup>2</sup> Mesquite Power respectfully requests privileged and confidential treatment of portions of the Application, because, as further described in the Application, the information included therein contains sensitive commercial and financial information that is privileged and

---

<sup>1</sup> 18 C.F.R. Part 33 (2013).

<sup>2</sup> 18 C.F.R. § 388.112.

Hon. Kimberly D. Bose  
November 5, 2014  
Page 2 of 2

confidential and not publicly available. The release of such information would cause competitive harm to Mesquite Power. Thus, Mesquite Power is filing a copy of the Application that contains the confidential and privileged material marked “NONPUBLIC VERSION – CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION – DO NOT RELEASE PURSUANT TO 18 C.F.R. § 388.112” and a copy of the Application with the confidential material redacted, marked “PUBLIC VERSION – PRIVILEGED INFORMATION OMITTED PURSUANT TO 18 C.F.R. § 388.112.” In accordance with Section 33.8(a) of the Commission’s regulations, Mesquite Power has included a draft protective agreement in Attachment 3 to this Application.<sup>3</sup>

Please contact the undersigned if you have any questions concerning this Application. Thank you for your consideration of this matter.

Respectfully submitted,

/s/ Daniel A. King  
Daniel A. King

*Counsel for Mesquite Power, LLC*

---

<sup>3</sup> 18 C.F.R. § 33.8(a).

**PUBLIC VERSION  
(Privileged Information Omitted Pursuant to 18 C.F.R. § 388.112)**

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

Mesquite Power, LLC	)	Docket No. EC15-_____
	)	
	)	

**APPLICATION FOR AUTHORIZATION  
OF TRANSFER OF JURISDICTIONAL ASSETS  
AND REQUEST FOR EXPEDITED ACTION**

Pursuant to section 203(a)(1)(A) of the Federal Power Act (FPA), 16 U.S.C. § 824b (2013), as amended by the Energy Policy Act of 2005 (EPAct 2005)<sup>1</sup> and Part 33 of the regulations of the Federal Energy Regulatory Commission (FERC or Commission), 18 C.F.R. Part 33 (2014),<sup>2</sup> Mesquite Power, LLC (Mesquite Power) (Applicant) hereby requests authorization for the transfer of 100% of its direct membership interests to Mesquite Power Holdings, LLC (Buyer), a wholly-owned indirect subsidiary of ArcLight Energy Partners Fund V, L.P. (ArcLight Fund V) (Proposed Transaction).<sup>3</sup>

As further detailed herein, Mesquite Power owns a 625 MW combined cycle generating facility and associated assets (Block 2) at the Mesquite Generating Station in Arizona,

---

<sup>1</sup> Pub. L. No. 109-58, 119 Stat. 594 (Aug. 8, 2005).

<sup>2</sup> See *Transactions Subject to FPA Section 203*, Order No. 669, 113 FERC ¶ 61,315 (2005), *order on reh’g*, Order No. 669-A, 115 FERC ¶ 61,097 (2006), *order on reh’g*, Order No. 669-B, 116 FERC ¶ 61,076 (2006).

<sup>3</sup> Buyer currently is not a holding company within the meaning of FPA Section 203(a)(2) – *i.e.*, it does not directly or indirectly own or control 10% or more of the outstanding voting securities of a “public-utility company” as defined under the Public Utility Holding Company Act of 2005 or any “holding company” of a public-utility company nor has it been determined by the Commission to exercise direct or indirect controlling influence over the management or policies of any public-utility company or holding company.

interconnected to the Palo Verde-Hassayampa Common Bus (Common Bus). Buyer and its affiliates do not own or control generation facilities in the relevant market.

The Proposed Transaction is consistent with the Commission's *Merger Policy Statement*,<sup>4</sup> as it will not adversely impact competition, rates or regulation, and will not result in any cross-subsidy or pledge or encumbrance of utility assets for the benefit of a non-utility associate company. Accordingly, Applicant requests that the Commission authorize this transaction as consistent with the public interest.<sup>5</sup>

Applicant respectfully requests the Commission to establish a public comment period not to exceed twenty-one (21) days and act on this Application expeditiously by issuing an order authorizing the Proposed Transaction by December 15, 2014.

#### **I. REQUEST FOR EXPEDITED CONSIDERATION**

Expedited consideration of the Application is warranted because the Proposed Transaction: (a) does not involve a merger of traditional public utilities; (b) is consistent with Commission precedent; and (c) does not require an Appendix A analysis or raise any concerns regarding competition, rates or regulation. In addition, as explained below and as demonstrated in Exhibit M, the Proposed Transaction does not raise any cross-subsidization, pledge or encumbrance concerns.

Applicant desires to close the Proposed Transaction at the earliest possible date in December 2014. Accordingly, Applicant respectfully requests the Commission to establish a

---

<sup>4</sup> *Inquiry Concerning the Comm'n's Merger Policy Under the Fed. Power Act: Policy Statement, Order No. 592*, FERC Stats. and Regs. ¶ 31,044, 61 Fed. Reg. 68,595 (1996), *reh'g denied, Order No. 592-A*, 79 FERC ¶ 61,321 (1997) (*Merger Policy Statement*).

<sup>5</sup> Applicant notes that the Commission has previously approved a similar transaction associated with Mesquite Power's sale of another 625 MW combined cycle generating facility and associated assets (Block 1) at the Mesquite Generating Station to The Salt River Project Agricultural Improvement and Power District (SRP). *See Mesquite Power, LLC*, 142 FERC ¶ 62,057 (2013).

public comment period not to exceed twenty-one (21) days and act on this application and issue an order authorizing the Proposed Transaction by December 15, 2014, which is 40 days from the date of this Application. Issuance of an order within the requested timeframe would be consistent with the Commission's actions on similar applications, where the Commission has provided expedited consideration.<sup>6</sup>

## II. COMMUNICATIONS

Communications regarding this Application should be addressed to the following persons:

Daniel A. King  
Sempra U.S. Gas & Power, LLC  
101 Ash Street HQ15  
San Diego, CA 92101  
(619) 696-4350  
[daking@semprausgp.com](mailto:daking@semprausgp.com)

Michael J. Gergen  
Latham & Watkins LLP  
555 11<sup>th</sup> St., N.W. Suite 1000  
Washington, DC 20004  
(202) 637-2200  
[michael.gergen@lw.com](mailto:michael.gergen@lw.com)

## III. DESCRIPTION OF THE PARTIES TO THE PROPOSED TRANSACTION

### A. Mesquite Power, LLC

Mesquite Power has authority to sell wholesale energy, capacity and ancillary services at market-based rates.<sup>7</sup> Mesquite Power is a wholly-owned, direct subsidiary of Sempra

<sup>6</sup> See, e.g., *LS Power Equity Partners L.P.*, 135 FERC ¶ 62,109 (2011) (authorizing upstream transfer of jurisdictional facilities, including those of Arlington Valley, LLC, in 31 days), and *Bridgeport Energy LLC*, 114 FERC ¶ 62,166 (2006) (authorizing upstream transfer of jurisdictional facilities, including those of Duke Energy Arlington Valley, LLC, in 31 days). See also *Energia Sierra Juarez U.S., LLC*, 147 FERC ¶ 62,162 (2014) (authorizing disposition of jurisdictional facilities in 37 days); *Energia Sierra Juarez U.S., LLC*, 141 FERC ¶ 62,005 (2012) (authorizing disposition of jurisdictional facilities in 45 days); *Broad River Energy, LLC*, 141 FERC ¶ 62,200 (2012) (authorizing disposition of jurisdictional facilities in 32 days); *Entegra Power Group LLC*, 135 FERC ¶ 62,134 (2011) (authorizing disposition of jurisdictional facilities in 30 days); *Williams Gas Mktg., Inc.*, 122 FERC ¶ 62,152 (2008) (authorizing disposition of jurisdictional facilities in 26 days).

<sup>7</sup> Docket No. ER03-427-000 (Letter Order dated Apr. 3, 2003). Mesquite Power is also an exempt wholesale generator pursuant to the Commission's regulations. *Mesquite Power, LLC*, 94 FERC ¶ 62,235 (2001).

Generation, LLC (Sempra Generation),<sup>8</sup> which in turn is a wholly-owned indirect subsidiary of Sempra Energy, a public utility holding company based in San Diego, California, that provides, through various subsidiaries and affiliates, a wide spectrum of electric, natural gas, and energy-related products and services to a diverse range of customers.<sup>9</sup> Sempra Generation is the seller under a long-term power purchase agreement (PPA) for the sale of energy at wholesale negotiated rates of up to 271 MW of firm, day-ahead power, delivered to the Common Bus beginning on January 1, 2015 to a group of unaffiliated wholesale purchasers, which are 21 members of the Southwest Public Power Resources Group (SPPR Group), an association of 40 not-for-profit utilities in Arizona and southern Nevada.<sup>10</sup>

Mesquite Power owns the nominally rated 625 MW Block 2 of the Mesquite Generating Station<sup>11</sup> and certain interconnection facilities (Interconnection Facilities) located in Maricopa

---

<sup>8</sup> Sempra Generation has authority to sell wholesale energy, capacity and/or ancillary services at market-based rates. *Sempra Energy Resources*, Docket Nos. ER01-1178-000, *et al.* (Apr. 10, 2001) (unpublished letter order); *Sempra Energy Resources, et al.*, 110 FERC ¶ 61,344 (2005) (approving Sempra Generation's triennial updated market power analysis and accepting for filing the January 12, 2005 notice of succession filed by Sempra Generation in Docket No. ER05-440-000 to reflect a corporate name change from Sempra Energy Resources to Sempra Generation); and *Sempra Generation, LLC*, Docket No. ER14-474-000 (Jan. 14, 2014) (letter order accepting notice of succession to reflect a corporate name change).

<sup>9</sup> Sempra Energy subsidiaries and affiliates that own or control generation capacity are shown in Exhibit B-1 to this Application, which identifies electric generation and transmission assets and the natural gas intrastate pipeline or storage facilities owned by Applicant or its affiliates, as well as any affiliate of Applicant with market-based rate authority. Sempra Energy wholly owns Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E). SoCalGas, a natural gas distribution company and Hinshaw pipeline regulated by the California Public Utilities Commission, serves customers through most of southern California and part of central California. SDG&E is a public utility with a franchised service territory that provides electric and natural gas service in San Diego County and southern Orange County, California. SDG&E owns transmission facilities and is a Participating Transmission Owner in the market operated by the California Independent System Operator Corp., which has an open access transmission tariff on file with the Commission.

<sup>10</sup> Although Block 2 of the Mesquite Generating Station may be used to source the 271 MW PPA, the PPA does not require deliveries from Block 2, or from any specific generation source.

<sup>11</sup> As noted above, SRP, a political subdivision of the State of Arizona, owns Block 1 of the Mesquite Generating Station. *See Mesquite Power, LLC*, 142 FERC ¶ 62,057 (2013).

County, Arizona and interconnected to the Hassayampa Switchyard, which was built as a satellite extension of the Palo Verde Switchyard, together forming a Commission-approved “Common Bus.”<sup>12</sup> The Interconnection Facilities are currently utilized to interconnect the Mesquite Generating Station, as well as the generation facility of Mesquite Power’s current affiliate, Mesquite Solar 1, LLC (Mesquite Solar), to the Hassayampa Switchyard.<sup>13</sup> The Interconnection Facilities are jointly owned as tenants-in-common by Mesquite Power, Mesquite Solar, and SRP.<sup>14</sup> Mesquite Power and SRP each own a 50% membership interest in Mesquite Power Operations, LLC (MPO), which operates the Mesquite Generating Station and

---

<sup>12</sup> *Arizona Public Service Company, et al.*, 96 FERC ¶ 61,156 (2001). The Commission accepted tariff amendments treating the Hassayampa and Palo Verde Switchyards as a Common Bus, which enables “multiple, competing generating units to sell power into the market without having to pay additional transmission charges for service between these Switchyards” and “allows for both new and existing generators to have any delivery, sale, purchase, receipt, and/or exchange of power and energy at any point within this common bus to be treated as a single point of receipt or delivery.” *Id.* at 61,682-83.

<sup>13</sup> The Interconnection Facilities consist of the following components, each with associated property, fixtures, equipment, and facilities: (i) a 230 kV bus; (ii) two 230 kV transmission lines each terminating at individual three-phase autotransformer banks; (iii) two 230/500kV three-phase autotransformer banks; (iv) two 500 kV transmission lines approximately 0.3 miles in length connecting each autotransformer bank to the Hassayampa Switchyard; and (v) interconnection facilities in bays 5 and 8 of the Hassayampa Switchyard as defined in the Hassayampa Interconnection Agreement (IA). Docket No. ER01-2994-000 (Letter Order dated Apr. 3, 2003). The IA was amended on April 29, 2011, to include Mesquite Solar (*Arizona Public Service Co.*, 137 FERC ¶ 61,031 (2011), and again amended to include SRP in connection with SRP’s acquisition of Block 1. Docket No. ER13-1328-000 (Letter Order dated Jun. 18, 2013).

<sup>14</sup> Mesquite Power, Mesquite Solar, and SRP are party to an agreement memorializing their respective undivided interests in the Interconnection Facilities as tenants-in-common (Inter-Company SFA). Under the Inter-Company SFA, each party has the right to utilize its share of the Interconnection Facilities to interconnect its generating facility to the Hassayampa Switchyard. The Inter-Company SFA does not establish rates, terms, or conditions for the provision of any FERC-jurisdictional service; however, it is on file with the Commission to ensure compliance with FPA section 205. *See* Docket No. ER13-953-000 *et al.* (Letter Order dated Apr. 11, 2013) and Docket No. ER13-1021-001 (Letter Order dated July 23, 2013) (accepting amended Inter-Company SFA for filing). Mesquite Solar intends and has obtained authorization from the Commission to transfer a portion of its undivided interests in the Interconnection Facilities to its affiliate, SEP II, LLC (SEP II). *See Mesquite Solar 1, LLC*, 147 FERC ¶ 62,063 (2013) (order authorizing transfer of a portion of Mesquite Solar’s interests in the Interconnection Facilities to SEP II).

Interconnection Facilities as agent on behalf of Mesquite Power and SRP. Buyer's acquisition of Mesquite Power will include Mesquite Power's 50% membership interest in MPO.

Mesquite Power is a member of the Southwest Reserve Sharing Group (SRSG) via the SRSG Participation Agreement, which allows for the sharing of contingency reserves for emergencies among the SRSG members in order to realize a more efficient and economical operation of the power system in the Southwest while maintaining the reliability of interconnections.<sup>15</sup>

#### **B. Buyer and the ArcLight Funds**

Buyer is a wholly-owned indirect subsidiary of ArcLight Fund V, which is a private equity fund managed by ArcLight Capital Partners, LLC (ArcLight Capital). ArcLight Capital also manages and controls ArcLight Energy Partners Fund I, L.P., ArcLight Energy Partners Fund II, L.P., ArcLight Energy Partners Fund III, L.P., ArcLight Energy Partners Fund IV, L.P., and ArcLight Liquid Energy Opportunities Fund, L.P. (collectively with ArcLight Fund V, the ArcLight Funds), each of which also is a private equity investment fund with a focus on the independent power sector.

The ArcLight Funds are affiliated with ArcLight Energy Marketing, LLC (AEM). AEM is a marketer of electric power and natural gas that is authorized by the Commission to sell energy, capacity, and ancillary services at market-based rates.<sup>16</sup> AEM does not own or control any electric generation facilities in any market.

---

<sup>15</sup> See *Tucson Electric Power Co.*, Docket No. ER12-2605-000 (Oct. 19, 2012) (unpublished letter order accepting amended SRSG Participation Agreement to add Mesquite Power as a member). See also, *Mesquite Power, LLC*, Docket No. ER12-2609-000 (Oct. 19, 2012) (unpublished letter order accepting Mesquite Power certificate of concurrence).

<sup>16</sup> *ArcLight Energy Mktg., LLC*, Letter Order, Docket No. ER07-1106-000 (July 25, 2007).



The ArcLight Funds are affiliated with entities that own or control electric generation facilities within the United States; however, none of these facilities are located in the balancing authority areas of Arizona Public Service Company (APS) or SRP. Affiliates of the ArcLight Funds that own or control generation capacity in other markets are identified in Exhibit B-2 to this Application.

The ArcLight Funds are affiliated with certain radial generator lead lines located outside of the relevant market that are used solely to interconnect individual generating facilities to the grid and are not part of the integrated transmission system. Two affiliates of the ArcLight Funds, Alta Development Windpower, LLC (AWD) and Bayonne Energy Center, LLC (BEC), have sought and obtained waiver from the requirement to file an open access transmission tariff (OATT) for their respective dedicated generator lead lines (AWD Lines and BEC Line) until such time that there is a valid third party request for transmission service on the lines.<sup>17</sup> The ArcLight Funds are also affiliated with a 212-mile, 230 kV radial generator lead line (DV Line), which currently is used solely to interconnect a 60 MW QF to the transmission grid operated by the California Independent System Operator Corporation (CAISO), and a 46-mile, 230 kV radial transmission line (Sagebrush Line) owned by Sagebrush, a California partnership, which is used to interconnect certain electric generating facilities to the CAISO grid. Third-party service on each of the DV Line and the Sagebrush Line is governed by an OATT on file with the Commission.<sup>18</sup> Aside from these facilities, none of the ArcLight Funds or any of their affiliates

---

<sup>17</sup> The Commission has determined that the AWD Lines and BEC Line are limited and discrete transmission facilities under the Commission's precedent. *See Alta Wind I, LLC, et al.*, 134 FERC ¶ 61,109 (2011); *Alta Wind VII, LLC, et al.*, 140 FERC ¶ 61,096 (2012); *Bayonne Energy Ctr., LLC*, 136 FERC ¶ 61,019 at P 28 (2011).

<sup>18</sup> *See Terra-Gen Dixie Valley, LLC, et al.*, 132 FERC ¶ 61,215 (2010); *Terra-Gen Dixie Valley, LLC*, 135 FERC ¶ 61,134 (2011); *Sagebrush, a California partnership*, 130 FERC ¶ 61,093 (2010), *order on reh'g*, 132 FERC ¶ 61,234 (2010).

owns a 10% or greater voting interest in or controls any other electric transmission facilities in the United States, except for the limited equipment necessary to interconnect individual generating facilities to the transmission grid.

None of the ArcLight Funds or any of their affiliates owns or controls any inputs to electricity products or electric power production, as defined in sections 33.4 and 35.36 of the Commission's regulations,<sup>19</sup> in Applicant's relevant geographic market. The ArcLight Funds are affiliated with entities that own or control natural gas intrastate pipelines, distribution facilities, or storage facilities in other markets, as shown in Exhibit B-2. The ArcLight Funds are not affiliated with any public utility with a franchised electric service territory.

#### **IV. DESCRIPTION OF THE PROPOSED TRANSACTION**

Sempra Generation, Mesquite Power and Buyer have entered into the Membership Interest Purchase Agreement (MIPA)<sup>20</sup> to effectuate the Proposed Transaction, subject to regulatory approvals and other customary closing conditions. Buyer will acquire 100% of the direct membership interests in Mesquite Power, including its Commission-jurisdictional assets

<sup>19</sup> 18 C.F.R. §§ 33.4 and 35.36. Section 35.36 defines "inputs to electric power production" as "intrastate natural gas transportation, intrastate natural gas storage or distribution facilities; sites for generation capacity development; physical coal supply sources and ownership of or control over who may access transportation of coal supplies."

<sup>20</sup>



(i.e., the Interconnection Facilities and related agreements, market-based rate tariff (and associated contracts, books and records), and the SRSG Participation Agreement).

## V. REQUEST FOR SECTION 203 APPROVAL OF THE PROPOSED TRANSACTION

Applicant seeks Commission authorization under FPA section 203(a)(1)(A) for the transfer of 100% of the direct membership interests in Mesquite Power to Buyer.<sup>21</sup> Applicant's FPA-jurisdictional facilities at the time of the closing of the Proposed Transaction will be its undivided interest in the Interconnection Facilities and related agreements, its market-based rate tariff (and associated contracts, books and records), and its interest in the SRSG Agreement.<sup>22</sup>

Applicant respectfully requests the Commission to establish a public comment period not to exceed twenty-one (21) days and act on this Application and issue an order authorizing the Proposed Transaction by December 15, 2014, in order to enable the parties to finalize the transaction before the end of the year in a timely manner. As provided herein, Applicant requests expedited consideration of the Application.<sup>23</sup>

---

<sup>21</sup> Buyer is not a public utility, and therefore is not requesting approval pursuant to FPA sections 203(a)(1)(B) or (D) for the Proposed Transaction. Moreover, the Proposed Transaction does not require separate approval under section 203(a)(2) of the FPA, because Buyer is not a holding company within the meaning of section 203(a)(2).

<sup>22</sup> The Commission has interpreted a transfer of direct or indirect control over jurisdictional facilities through disposition of securities to fall within the "or otherwise dispose" language of section 203(a)(1)(A). *JPMorgan Chase & Co.*, 123 FERC ¶ 61,088 at P 13 (2008), citing *Phelps Dodge Corp.*, 121 FERC ¶ 61,251 (2007). See also *Central Vermont Public Service Corporation*, 39 FERC ¶ 61,295 (1987).

<sup>23</sup> 18 C.F.R. § 33.11(b) ("The Commission will provide for the expeditious consideration of completed applications for the approval of transactions that are not contested, do not involve mergers, and are consistent with Commission precedent.").

## A. Satisfaction of Section 203 Criteria

Section 203(a)(4) of the FPA provides that the Commission will approve jurisdictional dispositions or acquisitions that are “consistent with the public interest.”<sup>24</sup> As explained in Order No. 642,<sup>25</sup> the Merger Policy Statement,<sup>26</sup> Order No. 669,<sup>27</sup> and the FPA Section 203 Supplemental Policy Statement,<sup>28</sup> the Commission examines three factors in analyzing whether a proposed disposition or acquisition is consistent with the public interest: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation. In addition, section 203(a)(4) requires a showing that a proposed transaction will not result in cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company. As explained below, the Proposed Transaction is consistent with the public interest, does not result in cross-subsidization, and should be approved.

### 1. No Adverse Effect on Competition

Order No. 642 identifies two types of analyses relevant to determining whether a transaction subject to Commission authorization under FPA section 203 has adverse effects on competition: a horizontal competitive analysis and a vertical competitive analysis.<sup>29</sup> However,

---

<sup>24</sup> 16 U.S.C. § 824b(a)(4).

<sup>25</sup> *Revised Filing Requirements Under Part 33 of the Commission’s Regulations*, Order No. 642, 65 Fed. Reg. 70,984 (Nov. 28, 2000), FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh’g*, Order No. 642-A, 66 Fed. Reg. 16,121 (Mar. 23, 2001), 94 FERC ¶ 61,289 (2001).

<sup>26</sup> *Merger Policy Statement* at 68,596.

<sup>27</sup> *Transactions Subject to Federal Power Act Section 203*, Order No. 669, 113 FERC ¶ 61,315 (2005), 71 Fed. Reg. 1348 (2006), *order on reh’g*, Order No. 669-A, 115 F.E.R.C. P61,097, 71 Fed. Reg. 28,422 (2006), *order on reh’g*, Order No. 669-B, 116 FERC 61,076, 71 Fed. Reg. 42,579 (2006).

<sup>28</sup> *FPA Section 203 Supplemental Policy Statement*, 72 Fed. Reg. 42,277 (Aug. 2, 2007), FERC Stats. and Regs. ¶ 31,253 (2007) (Supplemental Policy Statement).

<sup>29</sup> Order No. 642 at 31,872.

the Commission does not require the filing of a horizontal or vertical competitive screen analysis as described in Appendix A to the *Merger Policy Statement* and sections 33.3 and 33.4 of the Commission's regulations if the applicant "[a]ffirmatively demonstrates that the merging entities do not currently conduct business in the same geographic markets or that the extent of the business transactions in the same geographic markets is *de minimis*."<sup>30</sup> Although the Proposed Transaction does not involve a merger and instead involves the transfer of upstream ownership interests in an entity owning a generation facility, the same exceptions apply.<sup>31</sup>

Applicant provides an analysis of the horizontal competitive impacts of the Proposed Transaction in the relevant geographic market in the affidavit prepared by Bruce McConihe (McConihe Affidavit), included as Attachment 1 to this Application. As detailed in the McConihe Affidavit, because neither Buyer nor its affiliates own or control generation or transmission facilities in geographic markets relevant to the Proposed Transaction, the Proposed Transaction has no horizontal competitive impact. Given the unique arrangement of the Common Bus, which provides flexibility as to the delivery of interconnected generation, Ms. McConihe explains that her conclusion is the same regardless of which geographic market in Arizona (APS or SRP) is assumed relevant for Block 2. Accordingly, Ms. McConihe concludes that there are no horizontal market power concerns with respect to the Proposed Transaction.

Applicant also provides an analysis of the vertical competitive impacts of the Proposed Transaction in the McConihe Affidavit, which concludes that there are no vertical market power

---

<sup>30</sup> 18 C.F.R. § 33.3(a)(2)(i).

<sup>31</sup> See, e.g., *LS Power Equity Partners L.P.*, 135 FERC ¶ 62,109 (2011) (approving upstream transfer of jurisdictional facilities even though the parties did not file a horizontal competitive screen analysis where the parties did not conduct business in the same geographic markets), and *Bridgeport Energy LLC*, 114 FERC ¶ 62,166 (2006) (approving upstream transfer of jurisdictional facilities even though the parties did not file a horizontal competitive screen analysis because the parties held only a *de minimis* interest in the relevant market).

concerns. The Proposed Transaction includes the transfer of Mesquite Power's undivided interest in limited interconnection facilities used solely to interconnect generating facilities to the grid. Because the Interconnection Facilities were designed and constructed to serve as a radial generator tie-line, not as a networked transmission facility, the Proposed Transaction will not have any effect on the ability of transmission customers to take transmission service in the region. The Proposed Transaction also does not raise any vertical market power concerns because it will not cause Buyer to gain the ability or incentive to affect prices or outputs in the downstream electricity markets or to discourage entry by new generators. Furthermore, the Proposed Transaction will not result in a combination of ownership of networked transmission facilities in any region.

In addition, Buyer's affiliation with certain radial generation lead lines and inputs to electric power production located outside of Applicant's relevant market does not raise competitive concerns. The AWD Lines and BEC Line are limited and discrete transmission facilities and are not integrated transmission facilities.<sup>32</sup> AWD and BEC have committed to file an OATT within 60 days of receiving a valid bona fide request for transmission service. The DV Line and Sagebrush Line are subject to OATTs on file with the Commission.<sup>33</sup> With respect to Buyer's affiliation with certain intrastate natural gas facilities and sites for new generation capacity development, the Commission has adopted a rebuttable presumption that ownership or control of such inputs does not allow an entity to erect barriers to market entry.<sup>34</sup> In any event,

---

<sup>32</sup> See *supra* n.17.

<sup>33</sup> See *supra* n.18.

<sup>34</sup> See *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 446, *clarified*, 121\_FERC ¶ 61,260 (2007), *on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124\_FERC ¶ 61,055 (2008), *on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *clarified*,

all of these inputs are remote from Applicant's relevant market. Therefore, Applicant's proposed affiliation with these assets does not raise any vertical market power concerns. Accordingly, the Commission should find that the Proposed Transaction will not result in any adverse horizontal or vertical competitive impacts.

## **2. No Adverse Effect on Rates**

The Proposed Transaction will have no adverse effect on rates. In assessing the effect that a proposed jurisdictional transaction could have on rates, the Commission's primary concern is "the protection of wholesale ratepayers and transmission customers."<sup>35</sup> First, the Proposed Transaction will have no impact on transmission rates. Neither Applicant nor Buyer serves transmission customers, and no transmission facilities are being transferred that are included in the establishment of transmission rates. With respect to rates for wholesale sales, Mesquite Power will continue to be subject to the Commission's jurisdiction, as an entity selling, energy, capacity and ancillary services at market-based rates.

## **3. No Impairment of the Effectiveness of State or Federal Regulation**

The Commission's review of a jurisdictional transaction's effect on state or federal regulation is focused on ensuring that a transaction does not result in a regulatory gap.<sup>36</sup> After closing of the Proposed Transaction, Mesquite Power will continue to be regulated by the Commission as a public utility.

---

131 FERC ¶ 61,021 (2010), *aff'd sub nom.*, *Mont. Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied*, *Pub. Citizen, Inc. v. FERC*, 133 S. Ct. 26 (2012).

<sup>35</sup> *New England Power Co.*, 82 FERC ¶ 61,179, at 61,659, *reh'g*, 83 FERC ¶ 61,275 (1998). *See Merger Policy Statement*, 61 Fed. Reg. at 68,603 (concern is to protect ratepayers from rate increases because of a merger).

<sup>36</sup> Order No. 642 at 71,009–10.

Lastly, the Transaction will have no effect on state regulation because neither Applicant nor Buyer is subject to rate regulation by any state authorities.<sup>37</sup> Neither Applicant nor Buyer has retail customers. Therefore, nothing about the Proposed Transaction will adversely affect the authority or ability of state regulators to regulate the sale of power to retail customers by Applicant or Buyer. Accordingly, the Proposed Transaction will not affect or impair effective state regulation.

#### **4. No Potential for Cross-Subsidization**

The Proposed Transaction will not result in the cross-subsidization of a non-utility associate company or a pledge or encumbrance of utility assets for the benefit of an associate company. The Commission's primary concern with respect to cross-subsidization is whether a proposed transaction will result in a traditional utility (*i.e.*, franchised public utility) with captive customers cross-subsidizing its associate companies to the harm of captive ratepayers.<sup>38</sup> Neither Applicant nor Buyer is a franchised public utility with captive customers.<sup>39</sup> Applicant is affiliated with SDG&E, a traditional utility associate company that has captive customers and owns jurisdictional transmission facilities. However, SDG&E is not a party to the Proposed Transaction.

As applicable here, in its *203 Policy Statement*, the Commission identified, *inter alia*, two classes of transactions that are unlikely to raise cross-subsidization concerns described in the Order No. 669 rulemaking proceeding. One such class involves transactions in which no

---

<sup>37</sup> In accordance with 18 C.F.R. § 2.26(e), Applicant states that the Proposed Transaction is not subject to prior approval by a state commission.

<sup>38</sup> See *FPA Section 203 Supplemental Policy Statement*, 72 Fed. Reg. 42277, at PP 14, 15 (Aug. 2, 2007) (*203 Policy Statement*).

<sup>39</sup> The Commission defines captive customers as "any wholesale or retail electric energy customers served by a franchised public utility under cost-based regulation." 18 C.F.R. § 33.1(b)(5).



franchised public utility with captive customers is involved in the transaction.<sup>40</sup> In such cases, the Commission has found that there is no potential for harm to customers and, therefore, detailed explanation and evidentiary support to comply with Exhibit M is not required.<sup>41</sup>

The Proposed Transaction falls within the safe harbor for transactions that do not involve a franchised public utility because the Proposed Transaction will be among entities that are not franchised public utilities.

Because the Proposed Transaction falls within the Commission's safe harbors, an Exhibit M containing detailed explanation and evidentiary support to demonstrate lack of cross-subsidization is not required. However, Applicant provides in Exhibit M the representations that, based on the facts and circumstances known to Applicant or that are reasonably foreseeable, the Proposed Transaction will not result in, at the time of the Proposed Transaction or in the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company.

**B. Information and Exhibits Required by Part 33 of the Commission's Regulations**

In accordance with section 33.2 of the Commission's regulations, Applicant provides the following information:

**1. Name and principal business office of Applicant**

Mesquite Power, LLC  
37625 West Elliot Road  
Arlington, Arizona 85322

---

<sup>40</sup> *Id.* at P 17.

<sup>41</sup> *Id.* at PP 14 and 15.

**2. Names and addresses of the persons authorized to receive notices and communications**

The names and addresses of persons authorized to receive notices and communications with respect to this Application are identified in Part I of this Application.

**3. Description of Applicant, including:**

**a. Business activities of Applicant (Exhibit A)**

The description of the business activities of Applicant and Buyer is set forth in Part III of this Application. Accordingly, Applicant requests a waiver of the requirement to file Exhibit A.

**b. Energy subsidiaries and energy affiliates and their business activities (Exhibit B)**

Asset appendices that identify the electric generation and transmission assets and the natural gas intrastate pipeline or storage facilities owned by Applicant and Buyer and their respective affiliates, as well as any affiliate of Applicant or Buyer with market-based rate authority, are included as Exhibits B-1 (Applicant) and B-2 (Buyer). Accordingly, except for the information already contained in this application describing the relevant energy affiliates, Applicant requests a waiver, to the extent a waiver may be deemed necessary, to provide additional information describing Applicant's or Buyer's affiliates and subsidiaries or an Exhibit B because such information is not relevant to the Commission's review and approval of this Application.

**c. Organizational charts (Exhibit C)**

The organizational structure resulting from the Proposed Transaction is described in Part IV (*i.e.*, Mesquite Power will be wholly owned by a subsidiary of Buyer, which is a wholly-owned subsidiary of ArcLight Fund V). Accordingly, Applicant requests a waiver of the requirement to file Exhibit C.

**d. Business agreements (Exhibit D)**

Other than as described herein with respect to the Proposed Transaction, there are no strategic alliances, joint ventures, tolling arrangements, or other business arrangements to which Applicant or its energy affiliates are a party that will be substantively affected by the Proposed Transaction. Accordingly, Applicant requests a waiver of the requirement to file Exhibit D.

**e. Common officers or directors (Exhibit E)**

Applicant does not share common officers or directors with Buyer. Accordingly, Applicant requests a waiver of the requirement to file Exhibit E.<sup>42</sup>

**f. Description of customers (Exhibit F)**

Applicant sells energy, capacity and ancillary services for resale at negotiated rates and will continue to do so following the Proposed Transaction. Applicant does not serve transmission customers, so the Proposed Transaction will not have any effect on transmission service customers. To the extent otherwise deemed necessary, Applicant requests waiver of the requirement to file Exhibit F.

**g. Description of jurisdictional facilities (Exhibit G)**

The jurisdictional facilities affected by the Proposed Transaction are described in Part IV above. Applicant requests waiver of the requirement to file Exhibit G or to describe other facilities that are not affected by the Proposed Transaction.

**h. Narrative description of the proposed transaction (Exhibit H)**

The description of the Proposed Transaction is set forth in Part IV above, which includes identification of the parties, description of the facilities associated with or affected by the

---

<sup>42</sup> To the extent that any jurisdictional interlocking directorates result from the Proposed Transaction, the affected individuals will comply with any applicable filing requirements under 18 C.F.R. Part 45.

Proposed Transaction, and the effect of the Proposed Transaction on such facilities. Accordingly, Applicant requests a waiver of the requirement to file Exhibit H.

**i. Contracts related to the proposed transaction (Exhibit I)**

A copy of the MIPA is provided as Confidential Exhibit I. To the extent necessary, Applicant requests waiver of the requirements of section 33.2(f) as to other incidental contracts and written instruments that may be entered into by the parties, none of which is inconsistent with the terms and conditions contained in Exhibit I.

**j. Consistency of the transaction with the public interest (Exhibit J)**

The facts relied upon to demonstrate that the Proposed Transaction is consistent with the public interest are set forth in Part V of this Application. Accordingly, Applicant requests waiver of the requirement to file Exhibit J.

**k. Maps (Exhibit K)**

Neither party to the Proposed Transaction is a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities. Further, the only physical jurisdictional facilities affected by the Proposed Transaction are the Interconnection Facilities. Accordingly, Applicant requests waiver of the requirement to file Exhibit K.

**l. Regulatory orders (Exhibit L)**

Other than regulatory approval from this Commission and the applicable process under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, Applicant is not required to obtain licenses, orders, or other approvals from other utility regulatory bodies in order to effect the Proposed Transaction. Accordingly, Applicant requests waiver of the requirement to file Exhibit L.

**m. Cross-subsidization (Exhibit M)**

Part V.A and Exhibit M provide a demonstration that the Proposed Transaction will not cause cross-subsidization or any encumbrances of utility assets at the time of completion of the Proposed Transaction or in the future.

**4. Proposed Accounting Entries**

Applicant has market-based rate authority and the Commission has exempted Applicant from the requirements of FERC's Uniform System of Accounts. Accordingly, Applicant is not required to provide proposed accounting entries for the Proposed Transaction.

**5. Verification**

Pursuant to section 33.7 of the Commission's regulations, signed verifications by persons having authority with respect thereto and having knowledge of the matters set forth in this Application are included as Attachment 2.

**VI. REQUEST FOR PRIVILEGED AND CONFIDENTIAL TREATMENT AND PROPOSED FORM OF PROTECTIVE AGREEMENT**

Applicant requests confidential treatment of footnote 20 and Exhibit I to this Application in accordance with Sections 33.8 and 388.112 of the Commission's regulations.<sup>43</sup> Exhibit I is a copy of the final, executed MIPA containing highly sensitive commercial and financial information that is privileged and confidential and not publicly available. Similarly, footnote 20 to this Application contains information from the MIPA. Public disclosure of this information would harm Applicant's commercial interests in future transactions. In accordance with Section 388.112 of the Commission's regulations,<sup>44</sup> Applicant has provided, in Attachment 3, a proposed

---

<sup>43</sup> 18 C.F.R. §§ 33.8 and 388.112 (2014).

<sup>44</sup> 18 C.F.R. § 388.112 (2014).

Protective Agreement pursuant to which other parties will have access to the non-public materials. The proposed Protective Agreement is based on the Commission's Model Protective Order used in other Commission proceedings. Applicant requests that the non-public materials included in footnote 20 and Exhibit I be treated as privileged materials for review by Commission Staff and only those parties executing the Protective Agreement.

## **VII. CONCLUSION**

For the reasons set forth above, Applicant request that the Commission: (i) issue an order approving the Proposed Transaction; (ii) grant the waivers requested herein; and (iii) grant confidential and privileged treatment of footnote 20 and Exhibit I. Because the Proposed Transaction does not involve a merger, is consistent with Commission precedent, and has no adverse impact on competition, rates or regulation, Applicant respectfully requests expedited Commission approval of this Application on or before December 15, 2014.

Respectfully submitted,

/s/ Daniel A. King

Daniel A. King  
101 Ash Street, HQ15  
San Diego, CA 92101-3017  
(619) 696-4350  
daking@semprausgp.com

*On behalf of Applicant*

November 5, 2014

LIST OF EXHIBITS AND ATTACHMENTS<sup>45</sup>

Exhibit B-1	Energy Subsidiaries and Energy Affiliates of Applicant
Exhibit B-2	Energy Subsidiaries and Energy Affiliates of Buyer
Exhibit I	Membership Interest Purchase Agreement
Exhibit M	Cross Subsidization
Attachment 1	McConihe Affidavit
Attachment 2	Verifications
Attachment 3	Proposed Protective Agreement

---

<sup>45</sup> Unless otherwise defined in the Exhibits, capitalized terms used in the Exhibits have the meaning ascribed to them in the Application.

**Exhibit B-1**



### **List of Energy Subsidiaries and Affiliates of Applicant**

The following asset appendices identify the electric generation and transmission assets and the natural gas intrastate pipeline or storage facilities owned by the Applicant and its affiliates, as well as any affiliate of the Applicant with market-based rate authority.

**Sempra Energy Subsidiaries and Affiliates**  
**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
SEP II, LLC	ER14-1775	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Broken Bow Wind II, LLC	ER14-1776	Broken Bow 2 Wind Project	Broken Bow Wind II, LLC	NPPD	N/A	SPP	SPP	2014	75
Copper Mountain Solar 3, LLC <sup>1</sup>	ER14-1548	Copper Mountain Solar 3	Copper Mountain Solar 3, LLC	SCPPA	N/A	LADWP	Southwest	2015 (expected)	255
Copper Mountain Solar 2, LLC <sup>2</sup>	ER12-1566	Copper Mountain Solar 2	Copper Mountain Solar 2, LLC	Copper Mountain Solar 2, LLC	N/A	CAISO	Southwest	2012 (Phase 1) 2015 (Phase 2)	150
Energia Sierra Juarez U.S., LLC	ER12-1470	Energia Sierra Juarez, S. de R.L. de C.V.	Energia Sierra Juarez, S. de R.L. de C.V.	Energia Sierra Juarez U.S., LLC	N/A	CAISO	Southwest	2015 (expected)	156
Flat Ridge 2 Wind Energy LLC <sup>3</sup>	ER12-1400	Flat Ridge 2 Facility	Flat Ridge 2 Wind Energy LLC	Assoc. Elec. Coop. Inc. and Southwestern Elec. Power Co.	NA	SPP	SPP	2012	419
		Flat Ridge 2 South Facility	Flat Ridge 2 Wind Energy LLC	Arkansas Elec. Cooperative Corp.	NA	SPP	SPP	2012	51
Copper Mountain Solar 1, LLC	ER11-4055	CM10	Copper Mountain Solar 1, LLC	Pacific Gas and Electric Co.	N/A	CAISO	Southwest	2008	9.95
		CM48	Copper Mountain Solar 1, LLC	Pacific Gas and Electric Co.	N/A	CAISO	Southwest	2010	48
Mesquite Solar 1, LLC <sup>4</sup>	ER11-3987	Mesquite Solar 1	Mesquite Solar 1, LLC	PG&E	N/A	CAISO <sup>5</sup>	Southwest	2011	170

<sup>1</sup> Sempra Energy indirectly owns 50% of Copper Mountain Solar 3, LLC, the remainder of which is owned by a subsidiary of Consolidated Edison, Inc. (CEI).

<sup>2</sup> Sempra Energy indirectly owns 50% of Copper Mountain Solar 2, LLC, the remainder of which is owned by a subsidiary of CEI.

<sup>3</sup> Sempra Energy indirectly owns 50% of Flat Ridge 2 Wind Energy LLC, the remainder of which is owned by a subsidiary of BP Wind Energy North America, Inc. (BPWENA).

<sup>4</sup> Sempra Energy indirectly owns 50% of Mesquite Solar 1, LLC, the remainder of which is owned by a subsidiary of CEI.

<sup>5</sup> See Docket No. ER13-2489-000 (Letter Order dated Nov. 26, 2013).

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
San Diego Gas & Electric Company <sup>6</sup>	ER99-3426	Goal Line L.P.	Goal Line, L.P.	SDG&E	1995	CAISO	Southwest	1995	49.90
		Naval Station QF (AEI)	Applied Energy, Inc.	SDG&E	1989	CAISO	Southwest	1989	49.90
		North Island QF	Applied Energy, Inc.	SDG&E	1989	CAISO	Southwest	1989	34.50
		NTC/MCRD Cogeneration	Applied Energy, Inc.	SDG&E	1989	CAISO	Southwest	1989	23.00
		NTC/MCRD Steam Turbine (AEI)	Applied Energy, Inc.	SDG&E	1984	CAISO	Southwest	1984	2.58
		Cuyamaca Peak Energy Plant	SDG&E	SDG&E	2002	CAISO	Southwest	2002	48.94
		Garnet Green Power	FPL Energy Green Power Wind, LLC	SDG&E	2004	CAISO	Southwest	2004	13.50
		Palomar Energy Center – GT1	SDG&E	SDG&E	N/A	CAISO	Southwest	2006	160.00
		Palomar Energy Center – GT2	SDG&E	SDG&E	N/A	CAISO	Southwest	2006	165.00

<sup>6</sup> For purposes of this filing only, SDG&E will stipulate to its control of the identified generation assets. For all future filings, SDG&E reserves the right to assert its lack of control with respect to any such generation asset identified herein for which SDG&E believes the identification of a different controlling party is appropriate.

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
		Palomar Energy Center – ST + Duct Fire	SDG&E	SDG&E	N/A	CAISO	Southwest	2006	225.00
		Otay Mesa Energy Center – CT 1	Otay Mesa Energy Center, LLC	SDG&E	2009	CAISO	Southwest	2009	163.50
		Otay Mesa Energy Center – CT 2	Otay Mesa Energy Center, LLC	SDG&E	2009	CAISO	Southwest	2009	163.50
		Otay Mesa Energy Center – STG	Otay Mesa Energy Center, LLC	SDG&E	2009	CAISO	Southwest	2009	276.00
		Miramar Energy Facility I GT	SDG&E	SDG&E	N/A	CAISO	Southwest	2005	46.60
		Miramar Energy Facility II GT	SDG&E	SDG&E	N/A	CAISO	Southwest	2009	48.50
		Otay Landfill V	Energy Power Partners LLC	SDG&E	2013	CAISO	Southwest	2013	1.60
		Otay Landfill VI	Energy Power Partners LLC	SDG&E	2013	CAISO	Southwest	2013	1.60
		Kumeyaay Wind Farm	Kumeyaay Wind LLC	SDG&E	2005	CAISO	Southwest	2005	51.00
		MM San Diego - Miramar Landfill	MM San Diego, LLC	SDG&E	2003	CAISO	Southwest	2003	7.30
		Ocotillo Express Wind Project	Ocotillo Express, LLC	SDG&E	2012	CAISO	Southwest	2013	265
		City of San Diego - Point Loma Sewage Treatment Plant	City of San Diego Metro Wastewater Dept.	SDG&E	2003	CAISO	Southwest	2003	4.84
		MM - Prima Deschecha (Capistrano)	MM Prima Deschecha, LLC	SDG&E	2003	CAISO	Southwest	2003	5.00
		San Marcos Landfill Bio-Gas	Gas Recovery Systems, Inc.	SDG&E	2003	CAISO	Southwest	1989	1.00
		Mesa Wind Farm	Mesa Wind Power Corporation	SDG&E	2012	CAISO	Southwest	2012	29.90
		Catalina Solar	Catalina Solar, LLC.	SDG&E	2012	CAISO	Southwest	2013	110.00
		Arlington Valley Solar II <sup>7</sup>	Arlington Valley Solar Energy II, LLC	SDG&E	2013	APS/EPE <sup>8</sup>	Southwest	2013	127.00

<sup>7</sup> Imported as a CAISO resource.

<sup>8</sup> See *Arlington Valley Solar Energy II, LLC*, 144 FERC ¶ 61,010 (2013).

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
		Sycamore Energy 2	Fortistar	SDG&E	2014	CAISO	Southwest	2003	2.25
		Sycamore Landfill	Syracuse Power	SDG&E	2003	CAISO	Southwest	1988	3.12
		Coyote Canyon - Gas Recovery Sys.	Gas Recovery Systems, Inc.	SDG&E	2003	CAISO	Southwest	2003	7.50
		AES - Delano	AES Delano, Inc.	SDG&E	2008	CAISO	Southwest	2003	49.00
		PPM Energy - Mountain View Power Project III	PPM Energy, Inc.	SDG&E	2003	CAISO	Southwest	2003	25.00
		Oasis Power Partners	Oasis Power Partners, LLC	SDG&E	2004	CAISO	Southwest	2004	70.00
		YCA Yuma Cogen <sup>9</sup>	Bonneville Pacific Corp.	SDG&E	1994	APS	Southwest	1994	50.00
		Otay 3 Covanta	Covanta Otay 3 Co.	SDG&E	2007	CAISO	Southwest	2006	3.75
		Rancho Penasquitos Hydro Facility	San Diego County Water Authority	SDG&E	2007	CAISO	Southwest	2006	4.50
		Kelco	CP Kelco, U.S., Inc.	SDG&E	2008	CAISO	Southwest	2008	30.00
		Otay Landfill I	Central Plants, Inc.	SDG&E	1987	CAISO	Southwest	1987	1.80
		Otay Landfill II	Central Plants, Inc.	SDG&E	1991	CAISO	Southwest	1991	1.80
		YMCA Rancho Penasquitos	YMCA Rancho Penasquitos	SDG&E	1991	CAISO	Southwest	1991	0.06
		Badger Filtration Plant	Santa Fe Irrigation District	SDG&E	1987	CAISO	Southwest	1987	1.49
		Olivenhain Municipal Water District	Olivenhain Municipal Water District	SDG&E	1988	CAISO	Southwest	1988	0.45

<sup>9</sup> Imported as a CAISO resource.

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
		San Francisco Peak Hydro Plant	City of Oceanside	SDG&E	1985	CAISO	Southwest	1985	0.35
		Orange Grove Energy Center	Orange Grove Energy, L.P.	SDG&E	2010	CAISO	Southwest	2010	99
		El Cajon Energy Center	El Cajon Energy, L.L.C.	SDG&E	2010	CAISO	Southwest	2010	47
		Escondido Energy Center	Escondido Energy Center LLC	SDG&E	2014	CAISO	Southwest	2014	47
		Lake Hodges Pumped Storage	San Diego County Water Authority	SDG&E	2011	CAISO	Southwest	2012	40
		Desert Star Energy Center	SDG&E	SDG&E	N/A	CAISO	Southwest	2000	165
		Desert Star Energy Center	SDG&E	SDG&E	N/A	CAISO	Southwest	2000	165
		Desert Star Energy Center	SDG&E	SDG&E	N/A	CAISO	Southwest	2000	165
		Pacific Wind	Pacific Wind, LLC	SDG&E	2012	CAISO	Southwest	2012	138
		NRG Solar Borrego I	NRG Solar Borrego I LLC	SDG&E	2012	CAISO	Southwest	2012	26
		Imperial Solar Energy Center-South	CSOLAR IV South, LLC	SDG&E	2013	CAISO	Southwest	2013	130
		Centinela Solar	Centinela Solar Energy, LLC.	SDG&E	2013	CAISO	Southwest	2014	127
		Centinela Solar Expansion	Centinela Solar Energy, LLC.	SDG&E	2014	CAISO	Southwest	2014	45
		Campo Verde Solar	Campo Verde Solar, LLC.	SDG&E	2013	CAISO	Southwest	2013	139
		Imperial Valley Solar I	Imperial Valley Solar I, LLC.	SDG&E	2013	CAISO	Southwest	2013	200

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
		Cascade Solar	Cascade Solar LLC	SDG&E	2013	CAISO	Southwest	2013	18.5
		Sol Orchard San Diego 20 LLC	Ramona Equity Holdings LLC	SDG&E	2013	CAISO	Southwest	2013	2
		Sol Orchard San Diego 21 LLC	Ramona Equity Holdings LLC	SDG&E	2013	CAISO	Southwest	2013	5
		Sol Orchard San Diego 22 LLC	Valley Center Equity Holdings LLC	SDG&E	2013	CAISO	Southwest	2013	2.5
		Sol Orchard San Diego 23 LLC	Valley Center Equity Holdings LLC	SDG&E	2013	CAISO	Southwest	2013	5
		Oak Creek Wind Power, LLC	Oak Creek Wind Power, LLC	SDG&E	2013	CAISO	Southwest	2013	3.5
<b>Alpaugh 50, LLC<sup>10</sup></b>	ER12-2498	Alpaugh 50	Alpaugh 50, LLC	Alpaugh 50, LLC	N/A	CAISO	Southwest	December 2012	50 (summer)
<b>Alpaugh North, LLC<sup>11</sup></b>	ER12-2499	Alpaugh North	Alpaugh North, LLC	Alpaugh North, LLC	N/A	CAISO	Southwest	December 2012	20 (summer)
<b>CED White River Solar, LLC<sup>12</sup></b>	ER13-764	White River	CED White River Solar, LLC	CED White River Solar, LLC	N/A	CAISO	Southwest	June 2013	20 (summer)
<b>CED Corcoran Solar, LLC<sup>13</sup></b>	N/A	Corcoran	CED Corcoran Solar, LLC	CED Corcoran Solar, LLC	N/A	CAISO	Southwest	August 2013	20 (summer)

<sup>10</sup> Sempra Energy indirectly owns 50% of Alpaugh 50, LLC, the remainder of which is owned by a subsidiary of CEI.

<sup>11</sup> Sempra Energy indirectly owns 50% of Alpaugh North, LLC, the remainder of which is owned by a subsidiary of CEI.

<sup>12</sup> Sempra Energy indirectly owns 50% of CED White River Solar, LLC, the remainder of which is owned by a subsidiary of CEI.

<sup>13</sup> Sempra Energy indirectly owns 50% of CED Corcoran Solar, LLC, the remainder of which is owned by a subsidiary of CEI.

**Table 1: Affiliates with Market-Based Rate Authority and Generation Assets**

Filing Entity and its Energy Affiliates	Docket # Where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	In-Service Date	Nameplate and/or Seasonal Rating
<b>Sempra Generation, LLC</b>	ER01-1178 ER05-440 ER14-474	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fowler Ridge II Wind Farm LLC<sup>14</sup></b>	ER09-1655	Fowler Ridge II Wind Farm LLC	Fowler Ridge II Wind Farm LLC	AEP Ohio Power Co.; AEP Columbus Southern Power Co.; AEP Indiana Michigan Power Co.; and Vectren Corp.	NA	PJM	Northeast	2009	200
<b>Mesquite Power, LLC</b>	ER03-427	Mesquite Unit 4	Mesquite Power, LLC	Mesquite Power, LLC	N/A	APS <sup>15</sup>	Southwest	2003	320
		Mesquite Unit 5	Mesquite Power, LLC	Mesquite Power, LLC	N/A	APS	Southwest	2003	163
		Mesquite Unit 6	Mesquite Power, LLC	Mesquite Power, LLC	N/A	APS	Southwest	2003	163
<b>Termoelectrica U.S., LLC</b>	ER03-175	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Termoelectrica de Mexicali, S. de R.L. de C.V.</b>	N/A	TDM Unit 1	Termoelectrica de Mexicali, S. de R.L. de C.V.	Termoelectrica de Mexicali, S. de R.L. de C.V.	N/A	CAISO	Southwest	2003	163
		TDM Unit 2	Termoelectrica de Mexicali, S. de R.L. de C.V.	Termoelectrica de Mexicali, S. de R.L. de C.V.	N/A	CAISO	Southwest	2003	163
		TDM Unit 3	Termoelectrica de Mexicali, S. de R.L. de C.V.	Termoelectrica de Mexicali, S. de R.L. de C.V.	N/A	CAISO	Southwest	2003	310
<b>Cedar Creek II, LLC<sup>16</sup></b>	ER11-2029	Cedar Creek II, LLC	Cedar Creek II, LLC	PPA Pub. Serv. Co. of Colorado	NA	Pub.Serv. Co. of Colorado	Northwest	2011	250
<b>Mehoopany Wind Energy LLC<sup>17</sup></b>	ER12-2200	Mehoopany Wind Farm	Mehoopany Wind Farm	Old Dominion Elec. Coop, Southern Maryland	NA	PJM	Northeast	2012	140

<sup>14</sup> Sempra Energy indirectly owns 50% of Fowler Ridge II Wind Farm LLC, the remainder of which is owned by a subsidiary of BPWENA.

<sup>15</sup> See Letter Order issued January 18, 2013 in Docket Nos. ER11-4055, *et al.*

<sup>16</sup> Sempra Energy indirectly owns 50% of Cedar Creek II, LLC, the remainder of which is owned by a subsidiary of BPWENA.

<sup>17</sup> Sempra Energy indirectly owns 50% of Mehoopany Wind Energy LLC, the remainder of which is owned by a subsidiary of BPWENA.



**Table 2: Electric Transmission Assets and/or  
Natural Gas Intrastate Transportation, Distribution and/or Gas Storage Facilities**

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned by	Controlled by	Date Control Transferred	Balancing Authority Area	Geographic Region	Size
<b>San Diego Gas &amp; Electric Company (SDG&amp;E)</b>	Transmission system	SDG&E	California Independent System Operator Corporation (CAISO)	1998	CAISO	Southwest	Approximately 2076 miles of transmission lines at up to 500 kV
<b>Southern California Gas Company (SoCalGas) and SDG&amp;E</b>	Natural gas intrastate pipeline and gas storage system	SoCalGas and SDG&E	SoCalGas	NA	CAISO	Southwest	Approximately 3132 miles of transmission pipeline and 136 Bcf of storage capacity
<b>Southern Gas Transmission</b>	Natural gas intrastate pipeline	Southern Gas Transmission	Southern Gas Transmission	NA	Southern Co. Services, Inc.	Southeast	Approximately 50 miles of intrastate pipeline
<b>Mobile Gas Service Corp.</b>	Local distribution company	Mobile Gas Service Corp.	Mobile Gas Service Corp.	NA	Southern Co. Services, Inc.	Southeast	Approximately 46 miles of intrastate pipeline and 0.8 Bcf of storage capacity
<b>Willmut Gas &amp; Oil Company</b>	Local distribution company	Willmut Gas & Oil Company	Willmut Gas & Oil Company	NA	Southern Co. Services, Inc.	Southeast	Approximately 714 miles of distribution pipeline (no intrastate gas transmission)
<b>Bay Gas Storage Company, Ltd.</b>	Natural gas intrastate storage system	Bay Gas Storage Company, Ltd.	Bay Gas Storage Company, Ltd.	NA	Southern Co. Services, Inc.	Southeast	Approximately 11.4 Bcf of storage capacity
<b>Cedar Creek II, LLC</b>	Generator Tie Line <sup>18</sup>	Cedar Creek II, LLC	Cedar Creek II, LLC	NA	PSCo	Northwest	18 mile/230 kV 72 mile/230 kV <sup>19</sup>
<b>Fowler Ridge II Wind Farm LLC</b>	Generator Tie Line <sup>20</sup>	Fowler Ridge II Wind Farm LLC	Fowler Ridge II Wind Farm LLC	NA	PJM	Northeast	15.5 mile/345 kV <sup>21</sup>

<sup>18</sup> The Cedar Creek II, LLC generator tie line facilities are limited and discrete facilities that do not constitute an integrated transmission system. *See Cedar Creek Wind Energy, LLC, et al.*, 134 FERC ¶ 61,130 (2011).

<sup>19</sup> Shared generator tie facility.

<sup>20</sup> The Fowler Ridge II Wind Farm LLC generator tie line facilities are limited and discrete facilities that do not constitute an integrated transmission system. *See Cedar BP Wind Energy North America Inc., et al.*, 129 FERC ¶ 61,207 (2009).

<sup>21</sup> Shared generator tie facility.

**Table 2: Electric Transmission Assets and/or  
Natural Gas Intrastate Transportation, Distribution and/or Gas Storage Facilities**

<b>Mesquite Solar 1, LLC</b>	Generator Tie Line <sup>22</sup>	Mesquite Solar 1, LLC	Mesquite Solar 1, LLC	NA	CAISO	Southwest	4 miles/230 kV 0.3 mile/500kV <sup>23</sup>
<b>Flat Ridge 2 Wind Energy LLC</b>	Generator Tie Line <sup>24</sup>	Flat Ridge 2 Wind Energy LLC	Flat Ridge 2 Wind Energy LLC	NA	SPP	SPP	42 miles/345 kV
<b>Copper Mountain Solar 1, LLC</b>	Generator Tie Line <sup>25</sup>	Copper Mountain Solar 1, LLC	Copper Mountain Solar 1, LLC	NA	CAISO	Southwest	0.15 mile/230 kV
<b>Copper Mountain Solar 2, LLC</b>	Generator Tie Line <sup>26</sup>	Copper Mountain Solar 2, LLC	Copper Mountain Solar 2, LLC	NA	CAISO	Southwest	1.6 miles/230 kV
<b>Termoelectrica U.S., LLC</b>	Generator Tie Line <sup>27</sup>	Termoelectrica U.S., LLC	Termoelectrica U.S., LLC	NA	CAISO	Southwest	6 miles/230kV
<b>Mehoopany Wind Energy LLC</b>	Generator Tie Line <sup>28</sup>	Mehoopany Wind Energy LLC	Mehoopany Wind Energy LLC	NA	PJM	Northeast	9 miles/115kV
<b>Copper Mountain Solar 3, LLC</b>	Generator Tie Line <sup>29</sup>	Copper Mountain Solar 3, LLC	Copper Mountain Solar 3, LLC	NA	LADWP	Southwest	6 miles/500 kV

<sup>22</sup> The Mesquite Solar 1, LLC generator tie line facilities are limited and discrete facilities that do not constitute an integrated transmission system. *See Mesquite Solar 1, LLC*, 138 FERC ¶ 61,074 (2012).

<sup>23</sup> Mesquite Solar 1, LLC shares the generator interconnection facilities with its affiliate, Mesquite Power, LLC. Additionally, upon consummation of the transaction approved pursuant to the FPA section 203 in *Mesquite Solar 1, LLC*, 147 FERC ¶ 62,063 (2014), Mesquite Solar 1, LLC will share interconnection facilities with another affiliate, SEP II, LLC.

<sup>24</sup> Flat Ridge 2 Wind Energy LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See* Docket No. ER12-1400-000.

<sup>25</sup> Copper Mountain Solar 1, LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Copper Mountain Solar 1, LLC*, 140 FERC ¶ 61,006 (2012).

<sup>26</sup> Copper Mountain Solar 2, LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Copper Mountain Solar 2, LLC*, 140 FERC ¶ 61,074 (2012).

<sup>27</sup> Termoelectrica U.S., LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Termoelectrica U.S., LLC*, 105 FERC ¶ 61,087 (2003).

<sup>28</sup> Mehoopany Wind Energy LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Mehoopany Wind Energy LLC*, 141 FERC ¶ 61,013 (2012).

<sup>29</sup> Copper Mountain Solar 3, LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Copper Mountain Solar 3, LLC*, 147 FERC ¶ 61,177 (2014).

<b>Broken Bow Wind II, LLC</b>	Switchyard Facilities <sup>30</sup>	Broken Bow Wind II, LLC	Broken Bow Wind II, LLC	NA	SPP	Central	115 kV switchyard facilities
<b>Energia Sierra Juarez U.S. Transmission, LLC</b>	Generator Tie Line <sup>31</sup>	Energia Sierra Juarez U.S. Transmission, LLC	Energia Sierra Juarez U.S. Transmission, LLC	NA	CAISO	Southwest	0.6 mile/230kV

<sup>30</sup> Broken Bow Wind II, LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Broken Bow Wind II, LLC*, 148 FERC ¶ 61,052 (2014).

<sup>31</sup> Energia Sierra Juarez U.S. Transmission, LLC has received waivers associated with its generator tie line facilities, which are limited and discrete facilities that do not constitute an integrated transmission system. *See Energia Sierra Juarez U.S. Transmission, LLC*, 149 FERC ¶ 61,052 (2014).

**Exhibit B-2**

### **List of Energy Subsidiaries and Affiliates of Buyer**

The following asset appendices identify the electric generation and transmission assets and the natural gas intrastate pipeline or storage facilities owned by the Buyer and its affiliates, as well as any affiliate of the Buyer with market-based rate authority.

**Affiliates of the ArcLight Funds with  
Market-Based Rate Authority and Generation Assets<sup>1</sup>  
(as of November 2014)**

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>ArcLight Energy Marketing, LLC</b>	ER07-1106	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TGP Energy Management, LLC</b>	ER13-1586	N/A	N/A	N/A	N/A	CAISO	Southwest	N/A	N/A
<b>Zone J Tolling Co., LLC</b>	ER12-1301	N/A	N/A	N/A	N/A	NYISO (including Zone J)	Northeast	N/A	N/A
<b>Terra-Gen Energy Services LLC</b>	ER15-110 (pending)	N/A	N/A	N/A	N/A	CAISO	Southwest	N/A	N/A
<b>Foote Creek II, LLC</b>	ER99-3450	Foote Creek II, LLC	Foote Creek II, LLC	Foote Creek II, LLC	N/A	PACE	Northwest	6/1999	1.8 MW
<b>Foote Creek III, LLC</b>	ER99-2769	Foote Creek III, LLC	Foote Creek III, LLC	Foote Creek III, LLC	N/A	PACE	Northwest	6/1999	24.8 MW

<sup>1</sup> This chart does not include affiliates operating solely within the Electric Reliability Council of Texas.

<sup>2</sup> All capacity ratings are nameplate unless otherwise specified.

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Foote Creek IV, LLC</b>	ER00-2706	Foote Creek IV, LLC	Foote Creek IV, LLC	Foote Creek IV, LLC	N/A	PACE	Northwest	8/2000	16.8 MW
<b>Ridge Crest Wind Partners, LLC</b>	ER01-2760	Ridge Crest Wind Partners, LLC	Ridge Crest Wind Partners, LLC	Ridge Crest Wind Partners, LLC	N/A	PSCo	Northwest	12/2001	29.7 MW
<b>Chandler Wind Partners, LLC</b>	ER01-390	Chandler Wind Partners, LLC	Chandler Wind Partners, LLC	Chandler Wind Partners, LLC	N/A	MISO	Central	2/1999	2 MW
<b>Michigan Power Limited Partnership</b>	ER09-1364	Michigan Power Limited Partnership	Michigan Power Limited Partnership	Michigan Power Limited Partnership	N/A	MISO	Central	10/1995	154.1 MW
<b>AL Sandersville, LLC</b>	ER02-1024; ER04-1186; ER10-2150	AL Sandersville, LLC	AL Sandersville, LLC	AL Sandersville, LLC	N/A	SOCO	Southeast	6/2002	692 MW
<b>Effingham County Power, LLC</b>	ER01-1418	Effingham County Power, LLC	Effingham County Industrial Authority	Effingham County Power, LLC	12/1/2001	SOCO	Southeast	8/2003	596.6 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>MPC Generating, LLC</b>	ER02-1238; ER99-2324	MPC Generating, LLC	MPC Generating, LLC	MPC Generating, LLC	N/A	SOCO	Southeast	12/1999	386.1 MW
<b>Walton County Power, LLC</b>	ER03-28; ER01-1310	Walton County Power, LLC	Walton County Power, LLC	Walton County Power, LLC	N/A	SOCO	Southeast	2/2001	494.1 MW
<b>Washington County Power, LLC</b>	ER03-398	Washington County Power, LLC	Development Authority of Washington County	Washington County Power, LLC	5/1/2001	SOCO	Southeast	6/2003	795.6 MW
<b>Mid-Georgia Cogen L.P.</b>	N/A	Mid-Georgia Cogen L.P.	Mid-Georgia Cogen L.P.	SOCO <sup>3</sup>	6/1/1998	SOCO	Southeast	3/1998	323 MW
<b>CPV Shore, LLC</b>	ER13-342	CPV Shore	CPV Shore, LLC	CPV Shore, LLC	N/A	PJM	Northeast	Anticipated 2016	725 MW

<sup>3</sup> See the Southern Companies' Generation Resource Inventory filed in Docket Nos. ER10-2881-004, et al., on July 16, 2012.



<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Panther Creek Power Operating, LLC</b>	ER12-2570	Panther Creek Project	Liberty Bell Funding, LLC and Olympus Panther Holdings, LLC (as Owner Participants)	Panther Creek Power Operating, LLC	8/2012 (from Panther Creek Partners as Lessee/Operator to Panther Creek Power Operating, LLC)	PJM	Northeast	12/1992	94 MW
<b>Westwood Generation, LLC</b>	ER01-1114	Westwood Generation, LLC	Westwood Generation, LLC	Westwood Generation, LLC	N/A	PJM	Northeast	6/1987	36 MW
<b>Bayonne Energy Center, LLC</b>	ER11-3460	Bayonne Energy Center, LLC	Bayonne Energy Center, LLC	Bayonne Energy Center, LLC	N/A	NYISO (Zone J)	Northeast	1/2012	512 MW
<b>Nevada Sun-Peak Limited Partnership</b>	N/A <sup>4</sup>	Nevada Sun-Peak Limited Partnership	Nevada Sun-Peak Limited Partnership	Nevada Sun-Peak Limited Partnership	N/A	NEVP	Southwest	6/1991	222 MW

<sup>4</sup> Nevada Sun-Peak Limited Partnership has a long-term fixed rate power supply contract on file with the Commission in Docket No. ER99-963. See Nevada Sun-Peak Limited Partnership, 86 FERC ¶ 61,243 (1999) (accepting the long-term power sales contract as just and reasonable and granting the waivers normally granted to sellers with market-based rates).

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Beowawe Power, LLC</b>	N/A	Beowawe Power, LLC	Beowawe Power, LLC	Beowawe Power, LLC	N/A	NEVP	Southwest	12/1985	20.6 MW
<b>Victory Garden Phase IV, LLC</b>	ER09-900	Victory Garden Phase IV, LLC	Victory Garden Phase IV, LLC	Victory Garden Phase IV, LLC	N/A	CAISO	Southwest	5/1990	22 MW
<b>Mojave 16/17/18 LLC</b>	N/A	Mojave 16	Mojave 16/17/18 LLC	Mojave 16/17/18 LLC	N/A	CAISO	Southwest	12/1989	30 MW
<b>Mojave 16/17/18 LLC</b>	N/A	Mojave 17	Mojave 16/17/18 LLC	Mojave 16/17/18 LLC	N/A	CAISO	Southwest	11/1989	25 MW
<b>Mojave 16/17/18 LLC</b>	N/A	Mojave 18	Mojave 16/17/18 LLC	Mojave 16/17/18 LLC	N/A	CAISO	Southwest	12/1989	30 MW
<b>Terra-Gen Mojave Windfarms, LLC (f/k/a TPC Windfarms LLC)</b>	N/A	Viking 1 Project, Viking 2 Project, and ToyoWest Project	Terra-Gen Mojave Windfarms, LLC	Terra-Gen Mojave Windfarms, LLC	N/A	CAISO	Southwest	12/1986	29 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Oak Creek Wind Power, LLC</b>	ER08-1255	Oak Creek Windpower, LLC	Oak Creek Windpower, LLC	Oak Creek Windpower, LLC	N/A	CAISO	Southwest	6/1999	23.1 MW
<b>ON Wind Energy LLC</b>	ER14-2382	ON Wind	ON Wind Energy LLC	ON Wind Energy LLC	N/A	CAISO	Southwest	12/1993	4.2 MW
<b>ON Wind Energy LLC</b>	ER14-2382	OCES Facility	ON Wind Energy LLC	ON Wind Energy LLC	N/A	CAISO	Southwest	6/1999	3.7 MW
<b>Coso Geothermal Power Holdings, LLC</b>	ER10-566	BLM Facility	Coso Geothermal Leasing Trusts 2007-M-1, 2007-M-2, 2007-M-3, 2007-M-4, 2007-M-5, 2007-M-6, 2007-C-1 (as successor in interest to Coso Energy Developers)	Coso Geothermal Power Holdings, LLC	12/7/07	CAISO	Southwest	3/1989	90 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Coso Geothermal Power Holdings, LLC</b>	ER10-566	Navy I Facility	Coso Geothermal Leasing Trusts 2007-M-1, 2007-M-2, 2007-M-3, 2007-M-4, 2007-M-5, 2007-M-6, 2007-C-1 (as successor in interest to Coso Finance Partners)	Coso Geothermal Power Holdings, LLC	12/7/07	CAISO	Southwest	Prior to 12/1989	92.2 MW
<b>Coso Geothermal Power Holdings, LLC</b>	ER10-566	Navy II Facility	Coso Geothermal Leasing Trusts 2007-M-1, 2007-M-2, 2007-M-3, 2007-M-4, 2007-M-5, 2007-M-6, 2007-C-1 (as successor in interest to Coso Power Developers)	Coso Geothermal Power Holdings, LLC	12/7/07	CAISO	Southwest	3/1989	90 MW
<b>Terra-Gen 251 Wind, LLC</b>	N/A	Terra-Gen 251 Wind, LLC	Terra-Gen 251 Wind, LLC	Terra-Gen 251 Wind, LLC	N/A	CAISO	Southwest	6/1987	18.4 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Terra-Gen VG Wind, LLC</b>	N/A	Terra-Gen VG Wind, LLC	Terra-Gen VG Wind, LLC	Terra-Gen VG Wind, LLC	N/A	CAISO	Southwest	6/1999	7.4 MW
<b>ACE Cogeneration Company, L.P.</b>	N/A	ACE Cogeneration Company, L.P.	ACE Cogeneration Company, L.P.	ACE Cogeneration Company, L.P.	N/A	CAISO	Southwest	11/1989	108 MW
<b>Badger Creek Limited</b>	ER13-445	Badger Creek Limited	Badger Creek Limited	Badger Creek Limited	N/A	CAISO	Southwest	4/1991	46 MW
<b>Kern Front Limited</b>	ER11-4061	Kern Front Limited	Kern Front Limited	Kern Front Limited	N/A	CAISO	Southwest	5/1989	49.8 MW
<b>High Sierra Limited</b>	ER11-4060	High Sierra Limited	High Sierra Limited	High Sierra Limited	N/A	CAISO	Southwest	3/1999	49.8 MW
<b>Double C Generation Limited Partnership</b>	ER11-4063	Double C Generation Limited Partnership	Double C Generation Limited Partnership	Double C Generation Limited Partnership	N/A	CAISO	Southwest	3/1989	49.8 MW
<b>Bear Mountain Limited</b>	N/A	Bear Mountain Limited	Bear Mountain Limited	Bear Mountain Limited	N/A	CAISO	Southwest	4/1995	46 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Chalk Cliff Limited</b>	N/A	Chalk Cliff Limited	Chalk Cliff Limited	Chalk Cliff Limited	N/A	CAISO	Southwest	4/1990	46 MW
<b>Corona Energy Partners, Ltd.</b>	N/A	Corona Energy Partners, Ltd.	Corona Energy Partners, Ltd.	Corona Energy Partners, Ltd.	N/A	CAISO	Southwest	6/1988	47 MW
<b>Live Oak Limited</b>	N/A	Live Oak Limited	Live Oak Limited	Live Oak Limited	N/A	CAISO	Southwest	3/1992	46 MW
<b>LUZ Solar Partners Ltd., IX</b>	N/A	LUZ Solar Partners, Ltd. IX	LUZ Solar Partners, Ltd. IX	LUZ Solar Partners, Ltd. IX	N/A	CAISO	Southwest	10/1990	92 MW
<b>LUZ Solar Partners Ltd., VIII</b>	N/A	LUZ Solar Partners Ltd., VIII	LUZ Solar Partners Ltd., VIII	LUZ Solar Partners Ltd., VIII	N/A	CAISO	Southwest	12/1989	92 MW
<b>McKittrick Limited</b>	N/A	McKittrick Limited	McKittrick Limited	McKittrick Limited	N/A	CAISO	Southwest	10/1991	46 MW
<b>Cameron Ridge, LLC</b>	ER14-2871 (pending)	Cameron Ridge, LLC	Cameron Ridge, LLC	Cameron Ridge, LLC	N/A	CAISO	Southwest	12/1984	59.6 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Pacific Crest Power, LLC</b>	N/A	Pacific Crest Power, LLC	Pacific Crest Power, LLC	Pacific Crest Power, LLC	N/A	CAISO	Southwest	Prior to 12/1994	46.8 MW
<b>Ridgetop Energy, LLC</b>	N/A	Ridgetop Energy, LLC	Ridgetop Energy, LLC	Ridgetop Energy, LLC	N/A	CAISO	Southwest	Prior to 12/1994	29 MW
<b>San Gorgonio Westwinds II, LLC</b>	N/A	Phoenix Project; Altech III Project; San Jacinto Project; Windustries Project	San Gorgonio Westwinds II, LLC	San Gorgonio Westwinds II, LLC	N/A	CAISO	Southwest	6/1999	43.4 MW
<b>Alite Wind, LLC</b>	N/A	Alite Wind, LLC	Alite Wind, LLC	Alite Wind, LLC	N/A	CAISO	Southwest	5/2008	24 MW

<b>Filing Entities and their Energy Affiliates</b>	<b>Docket # Where MBR Authority was Granted</b>	<b>Generation Name</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>In-Service Date</b>	<b>Nameplate and/or Seasonal Rating<sup>2</sup></b>
<b>Terra-Gen Dixie Valley, LLC</b>	N/A	Terra-Gen Dixie Valley, LLC	Dixie Valley Geothermal Leasing Trust 2010-1, Dixie Valley Geothermal Leasing Trust 2010-2, and Dixie Valley Geothermal Leasing Trust 2010-3	Terra-Gen Dixie Valley, LLC	N/A <sup>5</sup>	CAISO <sup>6</sup>	Southwest	7/1988	60.5 MW

<sup>5</sup> Pursuant to a sale/leaseback transaction on September 15, 2010, Terra-Gen Dixie Valley, LLC transferred ownership of its generating facility to three trusts (Owner Lessors), which, in turn, leased the facility back to Terra-Gen Dixie Valley, LLC under a long-term lease agreement. Because the Owner Lessors are passive owners with no management rights over the facility or the sale of power therefrom, there was no change in control of the facility as a result of the sale/leaseback transaction.

<sup>6</sup> The Terra-Gen Dixie Valley Facility, which is located in Churchill, Nevada, is interconnected with the transmission system operated by CAISO via a 212-mile 230 kV radial transmission line.



**Affiliates of the ArcLight Funds with  
Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities<sup>1</sup>  
(as of October 2014)**

<b>Filing Entity and its Energy Affiliates</b>	<b>Asset Name and Use</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>Size</b>
<b>Alta Windpower Development, LLC</b>	Alta Line I – radial generator lead line	Alta Wind I, LLC and Alta Windpower Development, LLC	Alta Wind I, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	4.4-mile 230kV transmission line
<b>Alta Windpower Development, LLC</b>	Alta Line II - radial generator lead line	Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Mustang Hills, LLC, and Alta Windpower Development, LLC	Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Mustang Hills, LLC, and Alta Windpower Development, LLC	N/A	CAISO	Southwest	1.8-mile 230 kV transmission line
<b>Alta Windpower Development, LLC</b>	Alta Line III - radial generator lead line	Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Windpower Development, LLC	Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Windpower Development, LLC	N/A	CAISO	Southwest	5.6-mile 230 kV transmission line
<b>Alta Windpower Development, LLC</b>	Alta Line IV - radial generator lead line	Pinyon Pines Wind II, LLC and Alta Windpower Development, LLC	Pinyon Pines Wind II, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	2.8-mile 230 kV transmission line
<b>Alta Windpower Development, LLC</b>	Alta Line V - radial generator lead line	Pinyon Pines Wind I, LLC and Alta Windpower Development, LLC	Pinyon Pines Wind I, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	6.8-mile 230 kV dedicated tie-line

<sup>1</sup> This chart does not include affiliates operating solely within the Electric Reliability Council of Texas.

<b>Filing Entity and its Energy Affiliates</b>	<b>Asset Name and Use</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>Size</b>
<b>Alta Windpower Development, LLC</b>	Alta Line VI - radial generator lead line	Pinyon Pines Wind I, LLC and Alta Windpower Development, LLC	Pinyon Pines Wind I, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	2.0-mile 230 kV dedicated tie-line
<b>Alta Windpower Development, LLC</b>	Alta Line VII – radial generator lead line	Alta Wind X, LLC and Alta Windpower Development, LLC	Alta Wind X, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	5.4-mile 230 kV dedicated tie-line
<b>Alta Windpower Development, LLC</b>	Alta Line VIII – radial generator lead line	Alta Wind XI, LLC and Alta Windpower Development, LLC	Alta Wind XI, LLC and Alta Windpower Development, LLC	N/A	CAISO	Southwest	9.5-mile 230 kV dedicated tie-line
<b>Bayonne Energy Center, LLC</b>	BEC radial generator lead line	Bayonne Energy Center, LLC	Bayonne Energy Center, LLC	N/A	NYISO	Northeast	6.75-mile 345 kV dedicated tie-line
<b>Terra-Gen Dixie Valley, LLC</b>	Dixie Valley Line - radial generator lead line	Terra-Gen Dixie Valley, LLC	Terra-Gen Dixie Valley, LLC	N/A	CAISO	Southwest	212-mile 230 kV dedicated tie-line
<b>Sagebrush, a California Partnership</b>	Sagebrush Line – transmission line	Sagebrush, a California Partnership	Sagebrush, a California Partnership	N/A	CAISO	Southwest	46-mile 230 kV transmission line
<b>Mission Natural Gas Company, LP</b>	Mission Natural Gas Company, LP; intrastate gas pipeline	Mission Natural Gas Company, LP	Mission Natural Gas Company, LP	N/A	MISO <sup>2</sup>	Central	Less than one mile

<sup>2</sup> This asset is used solely to serve a single end-use customer.

<b>Filing Entity and its Energy Affiliates</b>	<b>Asset Name and Use</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>Size</b>
<b>Enogex LLC</b>	Enogex intrastate pipeline system	Enogex LLC	Enogex LLC	N/A	SWPP AECI	SPP Southeast	Approximately 2,200 miles 33 miles
<b>Enogex LLC</b>	Stuart Storage Field	Enogex LLC	Enogex LLC	N/A	SWPP	SPP	6 Bcf
<b>Enogex LLC</b>	Wetumka Storage Field	Enogex LLC	Enogex LLC	N/A	SWPP	SPP	18 Bcf
<b>American Midstream Onshore Pipelines, LLC</b>	Lafitte 311 intrastate pipeline system	American Midstream Onshore Pipelines, LLC	American Midstream Onshore Pipelines, LLC	N/A	SOCO	Southeast	Approximately 39 miles
<b>American Midstream (Louisiana Intrastate)</b>	Gloria 311 intrastate pipeline system	American Midstream (Louisiana Intrastate)	American Midstream (Louisiana Intrastate)	N/A	MISO	Central	Approximately 85 miles
<b>American Midstream (Alabama Intrastate)</b>	Magnolia 311 intrastate pipeline system	American Midstream (Alabama Intrastate)	American Midstream (Alabama Intrastate)	N/A	MISO	Central	Approximately 116 miles
<b>American Midstream Partners, LP</b>	Trigas intrastate pipeline system	American Midstream (Tennessee River), LLC	American Midstream Partners, LP	N/A	TVA	Southeast	Approximately 111 miles
<b>American Midstream (Bamagas Intrastate) LLC</b>	Bamagas intrastate pipeline system	American Midstream (Bamagas Intrastate) LLC	American Midstream (Bamagas Intrastate) LLC	N/A	TVA	Southeast	Approximately 52 miles

<b>Filing Entity and its Energy Affiliates</b>	<b>Asset Name and Use</b>	<b>Owned by</b>	<b>Controlled by</b>	<b>Date Control Transferred</b>	<b>Balancing Authority Area</b>	<b>Geographic Region</b>	<b>Size</b>
<b>American Midstream Partners, LP</b>	MLGT intrastate pipeline system	Mid Louisiana Gas Transmission, LLC	American Midstream Partners, LP	N/A	MISO	Central	Approximately 54 miles
<b>American Midstream Partners, LP</b>	Chalmette intrastate pipeline system	American Midstream (SIGCO Intrastate), LLC	American Midstream Partners, LP	N/A	MISO	Central	Approximately 39 miles
<b>CenterPoint Energy Resources Corp.</b>	IGTC 311 intrastate pipeline system	CenterPoint Energy – Illinois Gas Transmission Company LLC	CenterPoint Energy – Illinois Gas Transmission Company LLC	N/A	MISO	Central	Approximately 20 miles

**Exhibit I**

**Contracts Related to the Proposed Transaction**

**Contains Privileged Information – Do Not Release**

**CONFIDENTIAL EXHIBIT I  
REMOVED FROM PUBLIC VERSION**

**Exhibit M****Verifications on Cross-Subsidization**

Because the Proposed Transaction involves the transfer of membership interests in Applicant to Buyer, the Proposed Transaction is within the scope of the “safe harbor” for transactions where the applicant shows that a franchised public utility with captive customers is not involved, and does not raise any issue with respect to cross-subsidization.<sup>1</sup>

Pursuant to section 33.2(j)(1) of the Commission’s regulations, Applicant provides assurance and verifies, based on facts and circumstances known to Applicant or that are reasonably foreseeable, that the Proposed Transaction will not result in, at the time of the transaction or in the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities for the benefit of an associate company, including:

(1) Any transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company;

(2) The issuance of any securities by a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company;

(3) Any pledge or encumbrance of any assets of any traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or

(4) Any new affiliate contract between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review under sections 205 and 206 of the FPA.

---

<sup>1</sup> Supplemental Policy Statement, 120 FERC ¶ 61,060 at P 17.

**Attachment 1**

**AFFIDAVIT OF BRUCE M. MCCONIHE**



**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

**Mesquite Power, LLC**

)

**Docket No. EC15-\_\_\_\_\_**

**AFFIDAVIT OF BRUCE M. MCCONIHE**

1. I am the Director of Markets Consulting, LLC, an economic consulting firm located in Potomac, Maryland. I have over 30 years of experience in economic consulting and hold a Bachelor of Arts degree with honors from Connecticut College and a Masters degree of Business Administration from George Mason University. An important focus of my professional experience has been competitive and pricing issues in regulated industries. Much of my work in the last ten years has concentrated on the electric utility industry. A more complete description of my qualifications is included as Exhibit No. BMM-1.

2. I was asked by counsel for Mesquite Power, LLC (“Mesquite Power” or “Applicant”) to conduct horizontal and vertical market power analyses in the relevant geographic market in connection with the Application for authorization of transfer of jurisdictional assets to Mesquite Power Holdings, LLC (“Buyer”), a wholly-owned subsidiary of ArcLight Energy Partners Fund V, L.P. (the “Proposed Transaction”). Mesquite Power is a wholly-owned, direct subsidiary of Sempra Generation, LLC, which in turn is a wholly-owned indirect subsidiary of Sempra Energy, a public utility holding company based in San Diego, California, that provides, through various subsidiaries and affiliates, a wide spectrum of electric, natural gas, and energy-related products and services to a diverse range of customers.<sup>1</sup>

---

<sup>1</sup> Sempra Energy subsidiaries and affiliates that own or control generation capacity are shown in Exhibit B-1 to the Application, which identifies electric generation and transmission assets and the natural gas intrastate pipeline or storage facilities owned or controlled by Applicant or its affiliates, as well as any affiliate of Applicant with market-based rate authority. Sempra Energy wholly owns Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E). SoCalGas, a natural gas

3. The Proposed Transaction, which is described in detail in the Application, involves the transfer to Buyer of 100% the membership interests in Mesquite Power. Mesquite Power owns the 625 MW power block 2 (“Block 2”) of the Mesquite Generating Station<sup>2</sup> and certain interconnection facilities located in Maricopa County, Arizona. As described in the Application, the interconnection facilities are used to interconnect the Mesquite Generating Station, as well as the other generation facilities, to the Palo Verde-Hassayampa Common Bus (“Common Bus”).<sup>3</sup>

4. Section 203(a) of the FPA provides that the Commission will approve jurisdictional dispositions or acquisitions that are “consistent with the public interest.”<sup>4</sup> As explained in Order No. 642,<sup>5</sup> the Merger Policy Statement,<sup>6</sup> Order No. 669,<sup>7</sup> and the FPA Section 203 Supplemental

---

distribution company and Hinshaw pipeline regulated by the California Public Utilities Commission, serves customers through most of southern California and part of central California. SDG&E is a public utility with a franchised service territory that provides electric and natural gas service in San Diego County and southern Orange County, California. SDG&E owns transmission facilities and is a Participating Transmission Owner in the market operated by the California Independent System Operator Corp., which has an open access transmission tariff on file with the Commission.

<sup>2</sup> The Salt River Project Agricultural Improvement and Power District (“SRP”), a political subdivision of the State of Arizona, owns Block 1 of the Mesquite Generating Station.

<sup>3</sup> *Arizona Public Service Company, et al.*, 96 FERC ¶ 61,156 (2001). The Commission accepted tariff amendments creating treating the Hassayampa and Palo Verde Switchyards as a Common Bus, which enables “multiple, competing generating units to sell power into the market without having to pay additional transmission charges for service between these Switchyards” and “allows for both new and existing generators to have any delivery, sale, purchase, receipt, and/or exchange of power and energy at any point within this common bus to be treated as a single point of receipt or delivery.” *Id.* at 61,682-83.

<sup>4</sup> 16 U.S.C. § 824b.

<sup>5</sup> *Revised Filing Requirements Under Part 33 of the Commission’s Regulations*, Order No. 642, 65 Fed. Reg. 70,984 (Nov. 28, 2000), FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh’g*, Order No. 642-A, 66 Fed. Reg. 16,121 (Mar. 23, 2001), 94 FERC ¶ 61,289 (2001).

<sup>6</sup> *Merger Policy Statement* at 68,596.

<sup>7</sup> *Transactions Subject to Federal Power Act Section 203*, Order No. 669, 113 FERC ¶ 61,315 (2005), 71 Fed. Reg. 1348 (2006), *order on reh’g*, Order No. 669-A, 115 F.E.R.C. P61,097, 71 Fed. Reg. 28,422 (2006), *order on reh’g*, Order No. 669-B, 116 FERC 61,076, 71 Fed. Reg. 42,579 (2006).

Policy Statement,<sup>8</sup> the Commission examines three factors in analyzing whether a proposed disposition or acquisition is consistent with the public interest: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.

5. Order No. 642 identifies two types of analyses relevant to determining whether a transaction subject to Commission authorization under FPA section 203 has adverse effects on competition: horizontal market analysis and vertical market analysis.<sup>9</sup> However, the Commission does not require the filing of a horizontal or vertical competitive screen analysis as described in Appendix A to the *Merger Policy Statement* and Sections 33.3 and 33.4 of the Commission's regulations if the applicant "[a]ffirmatively demonstrates that the merging entities do not currently conduct business in the same geographic markets or that the extent of the business transactions in the same geographic markets is *de minimis*."<sup>10</sup>

6. The Proposed Transaction does not affect concentration in the relevant geographic market because there are no generation or transmission overlaps between Applicant and the Buyer. Exhibit B-1 and Exhibit B-2 of the Application lists the U.S. energy subsidiaries and affiliates of the Applicant and of the Buyer, respectively. As shown in Exhibit B-1, Mesquite Block 2 has in the past been treated as located in the Arizona Public Service Company ("APS") balancing area authority ("BAA").<sup>11</sup> Exhibit B-2 of the Application shows that the Buyer owns or controls no generation or transmission assets in the APS BAA. Since there are no generation

---

<sup>8</sup> *FPA Section 203 Supplemental Policy Statement*, 72 Fed. Reg. 42,277 (Aug. 2, 2007), FERC Stats. and Regs. ¶ 31,253 (2007) (Supplemental Policy Statement).

<sup>9</sup> Order No. 642 at 31,872.

<sup>10</sup> 18 C.F.R. § 33.3(a)(2)(i).

<sup>11</sup> See Letter Order issued January 18, 2013 in Docket Nos. ER11-4055, *et al.* See also *Mesquite Power, LLC*, 142 FERC ¶ 62,057 (2013).

and transmission overlaps, the change in concentration, as measured by the applying the Herfindahl-Hirschman Index (“HHI”), is zero.

7. Given the unique nature of the Common Bus, the SRP BAA could be viewed as an alternative relevant geographic market. If this were assumed to be the case, the change in concentration, or HHI, would still be zero because the Buyer owns or controls no generation or transmission assets in the SRP BAA.

8. In conclusion, the Proposed Transaction has no effect on concentration in any relevant geographic market considered, both in terms of horizontal or vertical market power measures, because there are no horizontal or vertical asset overlaps between Applicant and Buyer in Arizona.

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

**Mesquite Power, LLC**

)

**Docket No. EC15-\_\_\_\_\_**

**AFFIDAVIT OF BRUCE M. MCCONIHE**

I, the undersigned, declare under penalty of perjury that the foregoing Affidavit is true and correct.  
Executed on November 3, 2014.

*Bruce M. McConihe*

Bruce M. McConihe

**BRUCE MACKALL MCCONIHE****Director**

Bruce Mackall McConihe has had extensive experience with the electric utility industry in connection with mergers, antitrust litigation, transmission access issues and QF contract provisions. She also has specialized in the telecommunications industry and has been involved in antitrust and regulatory case work. She brings a combination of experience, training, presentation skills and management ability that places her in the top rank of her profession. Examples of her service to clients include the following:

- Director, Markets Consulting, LLC, Potomac, Maryland, June 1, 2007. Primary work involves market power issues in connection with the regulated utilities industries (electric and natural gas.)
- Principal, LECG, LLC Washington, D.C., October 2000-May 31, 2007. Primary work involves market power issues in connection with the regulated utilities industries (electric and natural gas.)
- Principal, Putnam, Hayes & Bartlett, Inc. Washington, D.C., December 1998. Primary work involves market power issues in connection with the regulated utilities industries (electric, gas and telecommunications.)

Senior Consultant, EconONE Research, Inc. in Washington, D.C. from July 1997 to December 1998. Her primary work involves competitive market analysis in connection with regulatory filings market-based. Rates for electric utilities and natural gas storage and hub services provider before the Federal Energy Regulatory Commission (FERC) and various other consulting work on behalf of electric utilities and natural gas companies concerning deregulation issues including currently working on vertical market power issues regarding the Enova merger before the California Public Utility Commission. Other work involves antitrust issues regarding the deregulation of local telephone service

- Senior Consultant, Micronomics, Inc. in Washington, D.C. from December 1995 to July 1997. Primary work involves competitive market analysis in connection with regulatory filings for market-based rates for electric utilities and natural gas storage and hub services provider before the Federal Energy Regulatory Commission (FERC) and various other consulting work on behalf of electric utilities and natural gas companies concerning deregulation issues. Other work involved entry of Bell Operating Companies in video services markets. Antitrust work consisted of analytic studies of pricing behavior or pharmaceutical firms and analysis of competition to cable services in connection with the merger of two competing cable providers.
- Senior Economist, Law & Economics Consulting Group, Washington, D.C., February 1995-November 1995. Extensive work on competitive market analysis in connection with regulatory filings for market-based rates and in connection with two major electric utility merger filings before the Federal Energy Regulatory Commission (FERC). Antitrust work consisted of analyzing the pricing behavior of the duopolist cellular service providers in the Los Angeles market to determine whether there

- existed tacit collusion between the providers. In addition, analyzed the market for ring laser gyroscopes in the commercial avionics market on behalf of Honeywell to determine whether there existed predatory pricing in response to a damage claim by Litton. Rebuttal of damages was based on the assessment of the marketing activities in this market.
- Senior Associate, Putnam, Hayes & Bartlett, Washington, D.C., 1990-1995. Extensive regulatory work consisted of competitive market analyses in connection with four major electric utility mergers. Significant participation in preparation of a report to the Massachusetts Department of Public Utilities concerning utility merger policy. Various analyses were undertaken in connection with incentive regulation schemes for electric and natural gas clients as a possible alternative to cost-based regulation within state and federal jurisdictions. Participated in an electric utility breach of contract suit by a qualifying facility on behalf of Pacific Gas & Electric. Prepared two competitive market analyses on behalf of a natural gas storage owner to obtain market-based rates from FERC. Telecommunications experience consisted of preparation of an analysis of the federal telecommunications contract system with AT&T and Sprint in connection with FTS 2000. This analysis consisted of review of prices paid by the federal government versus prices available in the commercial market as well as availability of services. Litigation experience consisted of participation in rebuttal of the largest commercial damage claim filed in Canada by seven oil companies alleging lost sales of syncrude oil over a multi-year period. Rebuttal entailed a detailed analysis of the crude and refined products markets in Canada and the U.S. In addition, assisted in the development of a typewriter dumping case for Smith Corona for use in an International Trade Commission (ITC) proceeding.
- Senior Analyst, National Economic Research Associates, Inc., Washington, D.C. 1973-1974, 1975-1990. Extensive work in both antitrust and energy areas. Primary antitrust work involved work over a five-year period on behalf of AT&T in pending litigation with MCI, Southern Pacific Communications Corporation, equipment manufacturers and the Department of Justice over competitive market issues. Electric utility work primarily consisted of antitrust litigation (price squeeze issues and uranium price fixing issues), work on competitive issues regarding the Southern California Edison/San Diego Gas & Electric merger, as well as a general policy work on behalf of the utilities. Energy work consisted of assessment of available energy supplies (coal, oil and natural gas).
- Project Manager and Technical Writer, Greiner Environment Sciences, Inc., Baltimore, MD 1974-1975. Responsibilities at Greiner consisted of economic analysis to assess the environmental impact of proposed highways, shopping centers and a mining project and the preparation of the draft and final environmental impact statements to be submitted to government agencies necessary to obtain project approvals. Other work consisted of analysis of fuel availability and price for several electric utilities.

Exhibit No. BMM-1

**EDUCATION**

M.B.A., George Mason University, Fairfax, VA, May 1995

Attended Oxford University, May 1994

B.A., (Honors), Economics, Connecticut College, New London, CT, 1973

A.A., Social Sciences, Bradford Junior College, Bradford, MA, 1971







**Attachment 3**

**PROPOSED PROTECTIVE AGREEMENT**

## PROTECTIVE AGREEMENT

This Protective Agreement (“Agreement”) is entered into this \_\_\_ day of \_\_\_\_\_, 2014 by and between \_\_\_\_\_ (“Applicant”) and \_\_\_\_\_ (“Intervenor”), and shall govern the use of all Protected Materials produced by Applicant to Intervenor, or *vice versa*, in connection with the proceeding before the Federal Energy Regulatory Commission (the “Commission”) in Docket No. \_\_\_\_\_. Applicant and Intervenor are sometimes referred to herein individually as a “Party” or jointly as the “Parties”.

1. Applicant filed Protected Materials in the above-referenced Commission proceeding and Intervenor is a Participant in such proceeding, as the term Participant is defined in 18 C.F.R. Section 385.102(b), or has filed a motion to intervene or a notice of intervention in such proceeding. Applicant and Intervenor enter into this Protective Agreement in accordance with their respective rights and obligations set forth in 18 C.F.R. Section 388.112(b)(2). Notwithstanding any order terminating such proceeding, this Agreement shall remain in effect until specifically modified or terminated by the Federal Energy Regulatory Commission or court of competent jurisdiction.

2. This Agreement applies to the following two categories of Protected Materials: (A) A Party may designate as protected those materials which customarily are treated by that Party as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Party or its customers to risk of competitive disadvantage or other business injury; and (B) A Party shall designate as protected those materials which contain critical energy infrastructure information, as defined in 18 C.F.R. Section 388.113(c)(1) (“Critical Energy Infrastructure Information”).

3. Definitions – For purposes of this Agreement:

(a) (1) The term “Protected Materials” means (A) materials provided by a Party in association with this proceeding and designated by such Party as protected; (B) any information contained in or obtained from such designated materials; (C) notes of Protected Materials; and (D) copies of Protected Materials. The Party producing the Protected Materials shall physically mark them on each page as “PROTECTED MATERIALS” or with words of similar import as long as the term “Protected Materials” is included in that designation to indicate that they are Protected Materials. If the Protected Materials contain Critical Energy Infrastructure Information, the Party producing such information shall additionally mark on each page containing such information the words “Contains Critical Energy Infrastructure Information – Do Not Release”.

(2) The term “Notes of Protected Materials” means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 5. Notes of Protected Materials are subject to the same restrictions provided in this Agreement for Protected Materials except as specifically provided in this order.

(3) Protected Materials shall not include (A) any information or document contained in the publicly-available files of the Commission or of any other federal or state agency, or any

federal or state court, unless the information or document has been determined to be protected by such agency or court, or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Agreement, or (C) any information or document labeled as “Non-Internet Public” by a Party, in accordance with Paragraph 30 of FERC Order No. 630, FERC Stat. & Reg. ¶ 31,140. Protected Materials do include any information or document contained in the files of the Commission that has been designated as Critical Energy Infrastructure Information.

(b) The term “Non-Disclosure Certificate” shall mean the certificate annexed hereto by which Reviewing Representatives who have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Agreement, and that they have read the Agreement and agree to be bound by it. Each Party shall provide a copy of the Non-Disclosure Certificate(s) executed by its Reviewing Representative(s) to the other Party prior to such Reviewing Representative(s) receiving access to any Protected Materials.

(c) The term “Reviewing Representative” shall mean a person who has signed a Non-Disclosure Certificate and who is:

- (1) an attorney retained by a Party for purposes of this proceeding;
- (2) attorneys, paralegals, and other employees associated for purposes of this proceeding with an attorney described in Paragraph (2);
- (3) an expert or an employee of an expert retained by a Party for the purpose of advising, preparing for or testifying in this proceeding;
- (4) a person designated as a Reviewing Representative by order of the Commission; or
- (5) employees or other representatives of a Party with significant responsibility for matters involving this proceeding.

4. Protected Materials shall be made available under the terms of this Agreement only to Parties and only through their Reviewing Representative(s) as provided in Paragraphs 7-9.

5. Protected Materials shall remain available to a Party until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Material is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Party shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Party that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period the Party, if requested to do so, shall also submit to the producing Party an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be

maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to this Agreement.

6. All Protected Materials shall be maintained by the Party in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9.

7. Protected Materials shall be treated as confidential by the Party and its the Reviewing Representative(s) in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy or the buying or selling of generating assets, the direct supervision of any employee or employees whose duties include the foregoing, the provision of consulting services to any person whose duties include the foregoing, or the direct supervision of any employee or employees whose duties include the foregoing, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Party or any competitor of any Party a commercial advantage.

(b) In the event that a Party wishes to designate as a Reviewing Representative a person not described in Paragraph 3(d) above, the Party shall seek agreement from the Party providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraphs 3(d) above with respect to those materials. If no agreement is reached, the Party shall submit the disputed designation to the Commission for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Agreement unless that Reviewing Representative has first executed a Non-Disclosure Certificate provided that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Party asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this order.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing

Representative to whom the Protected Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Protected Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Agreement and the certification.

11. Subject to Paragraph 17, the Commission shall resolve any disputes arising under this Agreement. Prior to presenting any dispute under this Agreement to the Commission, the Parties shall use their best efforts to resolve it. If Party contests the designation of materials as protected, it shall notify Party by specifying in writing the materials whose designation is contested. This Agreement shall automatically cease to apply to such materials five (5) business days after the notification is made unless the Party, within said 5-day period, files a motion with the Commission, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on Party. If the Commission finds that the materials at issue are not entitled to protection, the procedures of Paragraph 17 shall apply. The procedures described above shall not apply to protected materials designated by Party as Critical Energy Infrastructure Information. Materials so designated shall remain protected and subject to the provisions of this Agreement unless a Party requests and obtains a determination from the Commission's Critical Energy Infrastructure Information Coordinator that such materials need not remain protected.

12. All copies of all documents reflecting Protected Materials, including the portion of any hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or by other appropriate means endorsed to the effect that they are protected pursuant to this Agreement. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Commission and all Reviewing Representatives who are on the service list. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release". For anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on all parties on the service list. Counsel for the producing Party shall, upon request of the other Party, provide a list of Reviewing Representatives who are entitled to receive such material. Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons. If any Party desires to include, utilize or refer to any Protected Materials or information derived therefrom in pleadings, testimony or exhibits these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such Party shall first notify both counsel for the disclosing Party and the Commission of such desire, identifying with particularity each of the Protected Materials. Thereafter, use of such Protected Material will be governed by procedures determined by the Commission.

13. Nothing in this Agreement shall be construed as precluding any Party from objecting to the use of Protected Materials on any legal grounds.

14. Nothing in this Agreement shall preclude any Party from requesting the Commission or any other body having appropriate authority to find that this Agreement should not apply to all or

any materials previously designated as Protected Materials pursuant to this Agreement. The Commission may alter or amend this Agreement as circumstances warrant at any time during the course of this proceeding.

15. The Parties may amend this Agreement only by mutual consent and in writing; provided, however, that a Party has the right to seek changes to this Agreement as appropriate from the Commission.

16. All Protected Materials filed with the Commission, or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or by other appropriate means bearing prominent markings indicating that the contents include Protected Materials subject to this Agreement. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release."

17. If the Commission finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Agreement for three (3) business days from the date of issuance of the Commission's decision, and if the Party seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. No Party waives its rights to seek additional administrative or judicial remedies after the Commission's decision respecting Protected Materials or Reviewing Representatives, or the Commission's denial of any appeal thereof. The provisions of 18 C.F.R. Sections 388.112 and 388.113 shall apply to any requests for Protected Materials in the files of the Commission under the Freedom of Information Act (5 U.S.C. § 552).

18. Nothing in this Agreement shall be deemed to preclude either Party from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Agreement.

19. Neither Party waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

20. The contents of Protected Materials or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with this Agreement and shall be used only in connection with this proceeding. Any violation of this Agreement and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.



IN WITNESS WHEREOF, the Parties each have caused this Protective Agreement to be signed by their respective duly authorized representatives as of the date first set forth above.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Representing Applicant

Representing Intervenor

Document Content(s)

EC15-\_\_Mesquite\_Power\_LLC\_Section\_203\_Application\_PUBLIC.PDF.....1-73