United States of America
Before the Department of Energy

U.S. Department Of Energy
RECEIVED
FEB 2 7 2001
Office Of Fossil Energy

Baja California Power, Inc.
Docket No. PP-234

Application for Presidential Permit

February 27, 2001

Introduction

Baja California Power, Inc. ("BCP"), a special purpose company organized under the laws of Delaware, is engaged in the business of constructing, owning and operating transmission facilities that connect power generation facilities to the transmission system. BCP is a direct, wholly-owned subsidiary of InterGen Aztec Energy V, B.V., a Dutch private company, and an indirect subsidiary of InterGen N.V., a Dutch limited liability company. BCP has filed the relevant documentation with the California Secretary of State's office and expects to be authorized to conduct business in the state.

Exact Legal Name

The exact legal name of BCP is Baja California Power, Inc.

Exact Legal Name of all Partners

At the present time, BCP does not have any partners in the project for which this application for Presidential Permit is made. If, at any time in the future, any partners are invited to join the project, BCP will provide the Department of Energy ("DOE") with the exact legal name of any such partner immediately.

Name, Post Office Address and Telephone Number of the Person to Receive Correspondence

Mr. Orlando Martinez,
Manager, Development
InterGen
Two Alhambra Plaza, Suite 1100
Coral Gables, FL 33134-5202
305-461-6945

Foreign Ownership of BCP or its Facilities

BCP is indirectly owned by InterGen N.V. whose shareholders are Shell Generating (Holding) B.V., a Dutch private company, and Bechtel Enterprises Energy B.V., also a Dutch private company. Shell Generating (Holding) B.V. is a subsidiary of Shell Petroleum N.V. Both companies are wholly owned members of the Royal Dutch/Shell Group of companies. Bechtel Enterprises Energy B.V. is a subsidiary of BEn Power Holdings (U.S.A.), Inc. and both companies are indirect subsidiaries of Bechtel Enterprises Holdings, Inc.

Neither BCP nor its transmission facilities are, or will be owned, in whole or in part, by a foreign government. At the present time, BCP does not have any agreement pertaining to such ownership from any foreign government or instrumentality thereof.

Existing Contracts with Foreign Governments or Foreign Private Concerns

At the present time, BCP has no contracts in effect with any foreign government.

BCP will enter into a contract with its affiliate Energía de Baja California, S. de R.L. de C.V.("EBC"), an independent power producer. EBC will own the interconnecting transmission line in Mexico and will own and operate a generation facility to be constructed west of Mexicali, Baja California, Mexico. The EBC generating facility is expected to begin commercial operations in June, 2002.

BCP may also contract with its affiliate Energía Azteca X, S. de R.L. de C.V ("EAX"). EAX, an independent power producer, owns and is constructing a 750 MW generation facility located west of Mexicali, Baja California, Mexico. EAX is being built in response to a Request for Proposal issued by the CFE that was awarded in May, 2000. Pursuant to a 25-year contract with the CFE, EAX will provide approximately 500 MW of power to CFE. In addition, the EAX plant will provide approximately 250 MW of power to the United States. The EAX generating facility is expected to begin commercial operations in March, 2003. The EBC generating facility is an expansion of the EAX generating facility. The proposed transmission facilities will be capable of transporting power generated by both EAX and EBC.

Showing of Legal Capacity

As shown in the signed Opinion of Counsel, attached as Appendix A, the construction, connection, operation and maintenance of the proposed facility is within the corporate power of BCP. BCP has complied with, and will comply with, all pertinent Federal and State laws.

Description of the Transmission Facilities Through Which the Electric Energy Will be Delivered, Including the Names of the Owners and the Location of any Remote Facilities

BCP proposes to construct a double-circuit 230 kV electric transmission line connecting an electric power generation facility to be located in Mexicali, Baja California, Mexico with the electric transmission grid in southern California. Specifically, this new transmission line will run parallel to the existing San Diego Gas & Electric ("SDG&E")/CFE La Rosita – Imperial Valley 230 kV transmission line. The transmission line will be located in an area west of the towns of Calexico and El Centro, California, in the Yuha Basin. The proposed in-service date for the connection between the Energía de Baja California power plant and the Imperial Valley substation is May 2002.

The new double-circuit 230 kV transmission line will be constructed in two phases. The first circuit will be strung for the May 2002 in-service date. The

second circuit will be strung when economic and other business conditions lead to either (i) the expansion of the Energía de Baja California facility, or (ii) the interconnection needs of affiliated EAX, an independent power producer also desiring to export power from Baja California to California. Both circuits will originate at the Energía de Baja California power plant switchyard, located approximately ten (10) miles west of the city of Mexicali, Baja California, Mexico. The transmission line will head north and cross the Mexico/U.S. border, terminating at the Imperial Valley substation, located in Imperial County, California (see enclosed map).

SDG&E is the owner of the Imperial Valley substation, while Energía de Baja California will be the owner of the switchyard on the Mexican side. Both the EAX and EBC generation facilities will be synchronized to SDG&E's transmission facilities, and the T-line will be part of that synchronous connection . The map in Appendix B shows the routing of the proposed transmission line, which will parallel the existing La Rosita – Imperial Valley line. Parallel technical studies will further define potential operation and reliability impacts of the technical options on the electrical systems of the United States and Mexico. No other routes were evaluated as the proposed route would form part of the existing transmission corridor established by the Bureau of Land Management ("BLM"); thus, taking advantage of both that corridor and the existing Imperial Valley Substation to reduce the impact of the proposed transmission line on the environment. The area where the T-line will be built is part of California's Desert Conservation Plan Area.

Appendix B shows the typical structure type for the line. Each of the double circuit lines will have a capacity of 600 MW.

The facilities to be constructed are not intended for use in the exportation of electric power from the United States. Rather, the facilities will be used solely to import power for wholesale in California. As described above, the transmission facilities proposed will not be capable of providing transmission service, other than the transportation of electric power from the generation facility to the Imperial Valley substation, within the territorial boundaries of the United States.

Potential Environmental Impacts of the Proposed Route Alternatives

The potential environmental impacts in the study area are discussed in Appendix C. The information provided in Appendix C is intended only to indicate the general character of the environment in the project area.

EAX, the 750 MW generation facility, has obtained an approved Manifiesto de Impacto Ambiental ("MIA") from the Mexican environmental authority, the Instituto Nacional de Ecología ("INE"). The MIA included not only the power generation facility, but also the related infrastructure to be built in Mexico. EBC, the second power plant in the area, will have to obtain an approved MIA, requiring the same level of review as the one for EAX, prior to construction.

BCP respectfully requests that this Application for Presidential Permit be expeditiously considered and approved.

Respectfully submitted,

Phil Cantner,
Vice-President
Baja California Power, Inc.

date: 2/26/01

APPENDIX A

Opinion of Counsel

The undersigned, being special counsel to BCP, states and gives his opinion pursuant to 10 C.F.R. § 205.322 (a)(6), as follows:

(a) that he has examined and is familiar with the corporate powers of Baja California Power, Inc., pursuant to BCP's Articles of Incorporation and Bylaws;

(b) that he has examined and is familiar with the contents of this Application for Presidential Permit, to which this Opinion is attached as Appendix A;

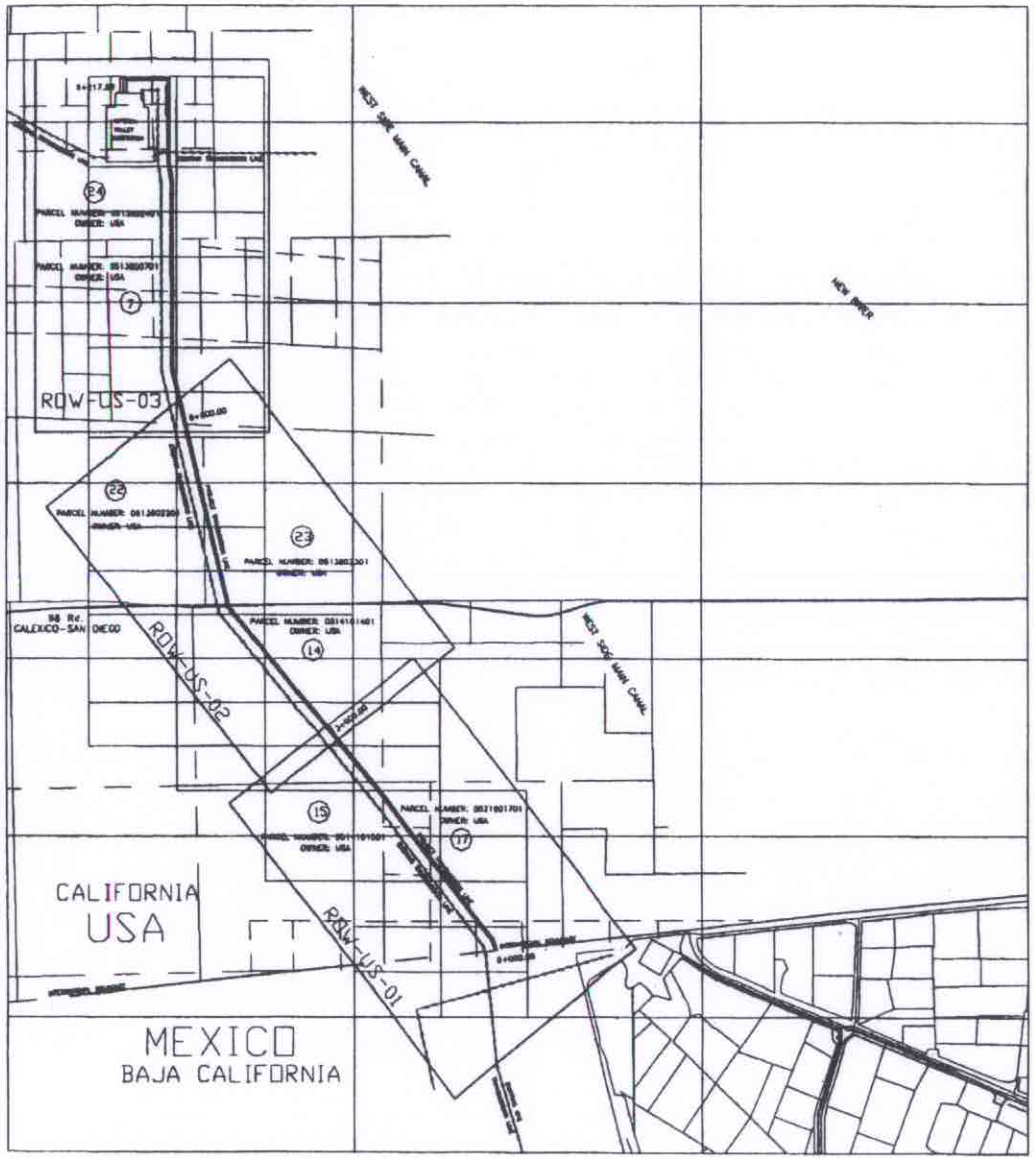
(c) that, in his opinion, the construction, connection, operation and maintenance of the facilities as proposed in this Application for Presidential Permit is within the corporate power of BCP; and

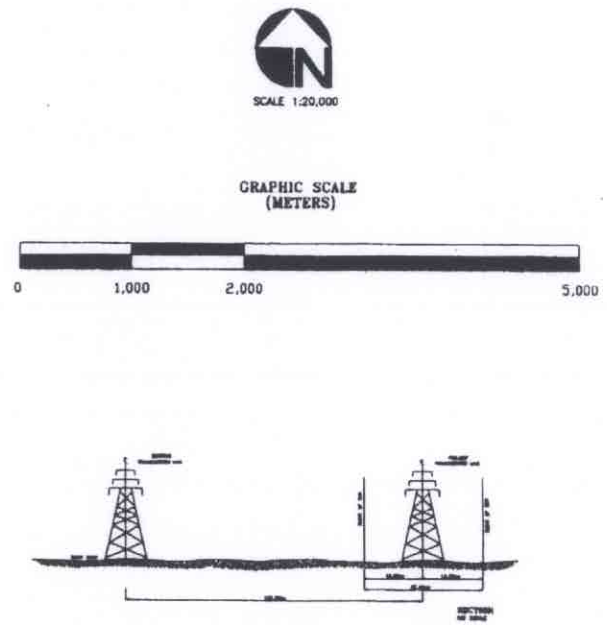
(d) that, with respect to this Application for Presidential Permit, BCP has complied with, and will comply with, all pertinent Federal and State laws.

By: _____
Laurence E. Skinner
Hunton & Williams
Date: 2/27/01

Appendix B: Map of Proposed and Existing Facilities

TRANSMISSION LINE PROJECT
IMPERIAL VALLEY, CA. USA





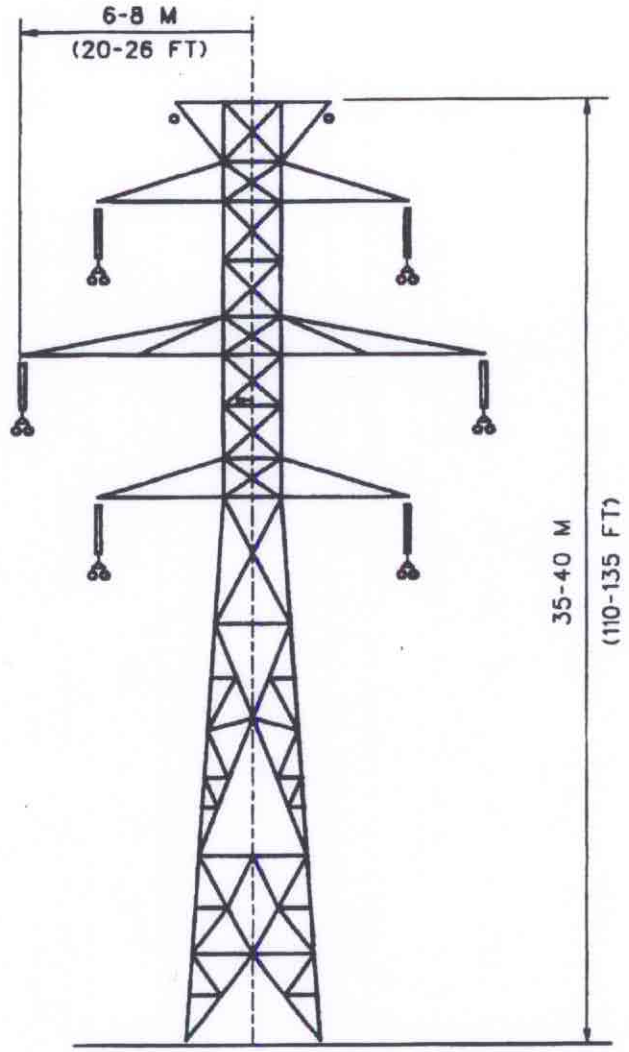
Ingenieria Demaris

TRANSMISSION LINE PROJECT
RIGHT OF WAY
IMPERIAL VALLEY, CA. USA

99-MXL-33 | INDEX-MAP | 2.1

SCALE 1:500 | SHEET 2 OF 5

Appendix B: Typical Tower Structure



230kV DOUBLE CIRCUIT

LATTICE STEEL CONSTRUCTION

FIGURE _____

c:\dgn\la rosarito\polefig.dgn Feb. 13, 2001 10:08:36

APPENDIX C

Statement of Environmental Impacts of the Proposed Facility

The proposed Baja California Power, Inc. 230kV transmission line is proposed to run from the international border with Mexico to the Imperial Valley substation. The alignment is completely within the California Desert Conservation Plan (CDCP) Area managed by the Bureau of Land Management. The alignment is located along a Utility Corridor designated by the CDCP. The alignment is also within a management subunit termed the Yuha Desert Area of Critical Environmental Concern (ACEC). This ACEC was established in order to protect significant cultural resources located within the Yuha Desert.

The proposed Baja California Power, Inc. 230kV transmission line does not cross any flood plain, wetland, or navigable water. It does not cross Indian Land. The alignment does not cross Critical Habitat designated for any Threatened or Endangered species. The only sensitive species anticipated within the project area is the Flat-tailed Horned Lizard (Phrynosoma mcallii). This species is the subject of a Rangewide Management Strategy implemented by a Interagency Coordinating Committee comprised of federal and state agencies. The proposed 230 kV is situated within the Yuha Desert Flat-tailed Horned Lizard Management Area. As such the temporary and permanent habitat disturbances associated with the proposed project will be subject to the habitat displacement allocation for this management area. Construction monitoring and post-construction habitat rehabilitation will be subject to the management objectives of the Rangewide Management Strategy.

Substantial cultural resources are present within the Yuha Desert ACEC, including resources listed on the National Register of Historic Places, although no cultural resources are known to occur within the project alignment. A Phase I archaeological survey of the proposed transmission corridor will be conducted. This study will include an archaeological site record search at the local clearinghouse. These data will be utilized to determine whether the project has the potential to adversely affect cultural resources. Up to 10 previously undocumented cultural resource sites will be recorded. The cultural resource study will be coordinated with the Cultural Resource Management staff at the El Centro BLM office. The resulting technical report will be forwarded to the State Historic Preservation Officer for concurrence and compliance with Section 106 of the National Historic Preservation Act.

Right-of-way width for this line will be nominally 120 feet (37m). This corresponds to the right-of-way associated with adjacent existing 230kV line. It allows for a sufficient safety buffer in the event of tower collapse. All areas necessary for construction, operation, and maintenance of the proposed power line would be encompassed by this right-of-way.

Consultation with BLM and U.S. Fish & Wildlife Service biologists indicates that no Threatened or Endangered plant or animal species occur within the proposed project vicinity. As was discussed above, the proposed 230kV alignment crosses land within the Yuha Desert Flat-tailed Horned Lizard Management Area.

Examination of project alternatives was limited due to the project need of linking the power generation facility in Baja California, Mexico, with the Imperial Valley substation in an area in which a Utility Corridor is designated by the CDCA Plan. The only other route considered consisted of an alignment paralleling the west side of the existing 230 kV transmission line running from the border to the Imperial Valley substation. This alignment would have a centerline 250-350 feet *west* of the existing 230 kV centerline, as opposed to the proposed alignment that is 250-350 east of the existing 230 kV line. As the new Energia De Baja California Power Project is east of the existing transmission line, a new 230 kV alignment paralleling the west side of the existing line would require a crossing of the existing line. This alternative would therefore be more expensive to build and maintain with no apparent advantage from the perspective of avoiding adverse environmental effects.

Documentation submitted in support of the Presidential Permit application will include an environmental analysis and review necessary to comply with the National Environmental Policy Act, as amended (10 C.F.R. § 1021 *et seq.*).