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John W. Dax

William F. McLaughlin*
**Also Admitted in Massachusetts & District of Columbia*

February 20, 2014

Via Electronic Mail secretary@dps.ny.gov

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Agency Building 3
Albany, NY 12223-1350

Re: Case 14-E-_____ – SARANAC POWER PARTNERS, L.P.

Dear Secretary Burgess:

On behalf of Saranac Power Partners, L.P., and affiliates, enclosed please find the *Verified Petition of Saranac Power Partners, L.P. for a Declaratory Ruling Regarding the Application of Public Service Law Section 70, or in the Alternative, an Order Granting Approval Under Public Service Law Section 70 for the Transfer of Upstream Ownership Interests.* The original verification of Steve Larsen, President of Saranac Energy Company, Inc., will be provided separately.

Saranac Power Partners expects to receive authorization for the transaction described herein from the Federal Energy Regulatory Commission on April 22, 2014, and requests that the Commission take action on this matter at its meeting scheduled for April 24, 2014.

Respectfully submitted,

John W. Dax

JWD:lmm

Enclosures

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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In the Matter of

SARANAC POWER PARTNERS, L.P. : Case 14-E-_____

Verified Petition of Saranac Power Partners, L.P.
for a Declaratory Ruling Regarding the Application of
Public Service Law Section 70, or in the Alternative,
an Order Granting Approval Under Public Service Law
Section 70 for the Transfer of Upstream Ownership Interests

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VERIFIED PETITION OF SARANAC POWER PARTNERS, L.P. FOR A DECLARATORY RULING REGARDING THE APPLICATION OF PUBLIC SERVICE LAW SECTION 70, OR IN THE ALTERNATIVE, AN ORDER GRANTING APPROVAL UNDER PUBLIC SERVICE LAW SECTION 70 FOR THE TRANSFER OF UPSTREAM OWNERSHIP INTERESTS

Dated: February 18, 2014
Albany, New York

John W. Dax
William F. McLaughlin
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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of	:	
SARANAC POWER PARTNERS, L.P.	:	Case 14-E-_____
Verified Petition of Saranac Power Partners, L.P. for a Declaratory Ruling Regarding the Application of Public Service Law Section 70, or in the Alternative, an Order Granting Approval Under Public Service Law Section 70 for the Transfer of Upstream Ownership Interests	:	

INTRODUCTION

Saranac Power Partners, L.P. (Saranac Power or Petitioner), on behalf of itself and its upstream owners MidAmerican Geothermal, LLC (MidAmerican Geothermal) and TransAlta (CE GEN) Investment USA Inc. (TransAlta Investment), hereby petitions the New York State Public Service Commission (Commission) for a declaratory ruling pursuant to Part 8 of the Commission's Rules and Regulations, 16 NYCRR Part 8, that a proposed transfer of certain upstream, indirect ownership interests in Saranac Power (the Transaction) does not require Commission approval under Section 70 of the Public Service Law (PSL).[1]

Petitioner is an "electric corporation," as defined in PSL Section 2(13), that owns an electric plant located in Plattsburgh, New York. Petitioner seeks a ruling that Commission approval is not required for its indirect parent company, MidAmerican Geothermal, to acquire the remaining ownership interest in its direct subsidiary, CE Generation LLC (CE Generation),

[1] Petitioner herein will file simultaneously with this petition an application with the Federal Energy Regulatory Commission seeking authorization of this transaction under Section 203 of the Federal Power Act. *See* FERC Docket No. EC14-59, *Joint Application for Authorization Under Section 203 of the Federal Power Act and Request for Expedited Action and Confidential Treatment*, filed February 20, 2014.

from TransAlta Investment. Currently, MidAmerican Geothermal and TransAlta Investment each own 50% of the membership interests in CE Generation, which indirectly owns a 75% interest in Saranac Power.

For the reasons described below, Petitioner requests that the Commission disclaim jurisdiction to review this Transaction in accordance with the Wallkill Presumption[2] because the proposed Transaction involves a transfer of ownership interests in a holding company upstream of the actual owner of Saranac Power and will not harm retail customers in New York State, or result in the creation of horizontal or vertical market power. If for any reason, the Commission concludes that it is unable to invoke the Wallkill Presumption and disclaim PSL Section 70 approval jurisdiction over the proposed Transaction, Petitioner respectfully requests that the Commission find the proposed Transaction is in the public interest as required by PSL Section 70 and authorize the consummation thereof.

BACKGROUND

Saranac Power began operations in 1996 as a qualifying facility (QF) under the Public Utility Regulatory Policies Act of 1978. Saranac Power owns a 252 MW natural gas-fired electric plant located in Plattsburgh, New York (the Saranac Facility) that was first constructed as a cogeneration facility supplying steam to Georgia-Pacific Consumer Operations LLC. Saranac Power sold all of its electricity to New York State Electric and Gas Corporation under the terms of a long term power purchase agreement, which expired on June 21, 2009. By Order dated March 15, 1996 in Case 96-S-0054, the Commission granted Saranac Power a Certificate

[2] *See* Case 91-E-0350, Wallkill Generating Company, L.P., *Order Establishing Regulatory Regime* (Issued April 11, 1994) ("Wallkill Order"). The presumption first articulated in the WallKill Order is commonly known, and is cited herein, as the "Wallkill Presumption."

of Public Convenience and Necessity (CPCN).[3] By Order dated May 7, 1996 in Case 96-S-0054, the Commission granted Saranac Power an exemption from filing and recordkeeping requirements under PSL Section 80(11).[4] After the expiration of its contract with NYSEG, Saranac Power continued to sell electricity at wholesale as an exempt wholesale generator (EWG) under the Public Utility Holding Company Act of 2005. By Order dated June 19, 2009 in Case 09-M-0251, the Commission granted Saranac Power's petition for lightened regulation and made other findings regarding its status as a steam corporation.[5] By letter dated July 14, 2009, Saranac Power relinquished the CPCN that it was granted in Case 96-S-0054 and ceased being a "steam corporation" as defined as PSL Section 2(13).

In addition to the Saranac Facility, Saranac Power is the direct parent entity that owns 100% of the corporate interests, of North Country Gas Pipeline Corporation, a New York corporation (North Country), that owns and operates an intrastate gas pipeline in upstate New York with a capacity of approximately 100 dekatherms per day (the Pipeline Facility). The Pipeline Facility runs approximately 22 miles from an interconnection with TransCanada Pipelines Limited in Napierville, Quebec, Canada, to Plattsburgh, New York, where it interconnects with the Saranac Facility. By Order dated February 3, 1993, in Case 92-M-0322,

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[3] Case 96-S-0054, Saranac Power Partners, L.P., *Order Issuing Certificate of Public Convenience and Necessity* (Issued March 15, 1996).

[4] Case 96-S-0054, Saranac Power Partners, L.P., *Order Granting Exemptions* (Issued May 7, 1996).

[5] *See* Case 09-M-0251, Saranac Power Partners, L.P., *Application for a Certificate of Public Convenience and Necessity, Petition for an Order Providing for Lightened Regulation, and Motion for Expedited Proceeding, Order Providing for Lightened Regulation of an Electric Corporation and Making Findings on Steam Corporation Regulation*, (Issued June 19, 2009) (the Saranac Order).

the Commission granted North Country an exemption from the provisions of Article 4 of the PSL, except those affecting matters of public safety.[6]

THE PARTIES AND OTHER RELEVANT ENTITIES.

Saranac Power Partners, L.P.

Saranac Power is a Delaware limited partnership that owns and operates the Saranac Facility. Saranac Power is an EWG and the Saranac Facility is interconnected with the transmission system operated by the New York Independent System Operator, Inc. (NYISO). Saranac Power has been authorized by the FERC to sell energy, capacity and ancillary services at market-based rates.[7] At the present time, Saranac Power is a direct subsidiary of the following entities in the percentages shown: General Electric Capital Corporation, a Delaware corporation (GECC) (5%), OGPA Saranac Partner One, LLC, a Delaware limited liability company (OPGA 1) (10%), OGPA Saranac Partner Two, LLC, a Delaware limited liability company, (OPGA 2) (10%), and Saranac Energy Company, Inc., a Delaware corporation (Saranac Energy) (75%). Saranac Energy, in turn is a wholly owned direct subsidiary of SECI Holdings, Inc., a Delaware corporation (SECI Holdings). SECI Holdings is a direct wholly owned subsidiary of CE Gen Power Corporation, a Texas corporation, (CE Gen Power). CE Gen Power is a direct wholly owned subsidiary of FSRI Holdings, Inc., a Texas corporation which is, in turn, a direct wholly owned subsidiary of CE Generation (described below and the subject of the proposed Transaction). OGPA 1 and 2 are both affiliates of Osaka Gas Energy America Corporation, an entity which is not otherwise affiliated with MidAmerican Geothermal or TransAlta Investment.

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[6] Case 92-M-0322, North Country Gas Pipeline Corporation and Saranac Energy Company, Inc., *Declaratory Ruling and Order Granting Exemption* (Issued August 27, 1992) and *Order Approving Recommendation and Clarifying Previous Order* (Issued February 3, 1993).

[7] *See* Saranac Power Partners, L.P., FERC Docket No. ER09-708-000 (April 30, 2009) (unreported).

Charts showing the full detail of the ownership interests in Saranac Power before and after consummation of the proposed Transaction are attached to this Petition as **<u>Exhibits A and B</u>**.

<u>CE Generation LLC and Affiliates</u>

CE Generation is a Delaware limited liability company and a direct subsidiary of MidAmerica Geothermal (50%) and TransAlta Investment (50%), which are described below. CE Generation operates as a holding company for a number of direct and indirect subsidiaries that in turn own and operate various electric generation facilities predominantly located outside of New York State. In New York, CE Generation's only asset is the indirect ownership of a 75% interest in Saranac Power, which owns and operates the Saranac Facility, and owns North Country, which owns and operates the Pipeline Facility, as described above.

CE Generation has direct and indirect ownership interests of generating facilities in other regions of the United States, as identified below:

a. Approximately 318 MW of generating capacity interconnected to the transmission system of Imperial Irrigation District, comprised of ten (10) geothermal generating projects.

b. Approximately 227 MW natural gas-fired cogeneration facility that is interconnected to the transmission system operated by Oncor Electric Delivery Company LLC in the Western Region of the Electric Reliability Council of Texas (ERCOT); and

c. Approximately 52 MW natural gas-fired cogeneration facility located in Yuma, Arizona and interconnected to the transmission system operated by Arizona Public Service Company (APS).

Except for the indirect ownership interest in the Saranac Facility and the related Pipeline Facility, neither CE Generation nor any of its affiliates owns or controls other facilities for the transmission or distribution of electric power or natural gas in New York State or within the NYISO control area.

MidAmerican Geothermal, LLC

MidAmerican Geothermal is a Delaware limited liability company and a direct, wholly owned subsidiary of MidAmerican Renewables, LLC (MidAmerican Renewables). MidAmerican Geothermal is a holding company that owns a 50% of the membership interests in CE Generation. The remaining 50% of the membership interests in CE Generation is owned by TransAlta Investment, a company otherwise not affiliated with MidAmerican Geothermal or MidAmerican Renewables. Except for its indirect ownership of the Saranac Facility and the Pipeline Facility, neither MidAmerican Geothermal nor any of its affiliates owns or controls any other facilities for the transmission or distribution of electric power or natural gas in New York State or within the NYISO.

MidAmerican Renewables, LLC

MidAmerican Renewables is a Delaware limited liability company that is a direct wholly owned subsidiary of MidAmerican Energy Holdings Company (MEHC), an Iowa corporation. It was formed to acquire, own, operate, and invest in renewable energy facilities. MEHC is itself a holding company that is a wholly owned, consolidated subsidiary of Berkshire Hathaway Inc. (Berkshire Hathaway). In addition to its direct and indirect ownership of MidAmerican Geothermal and its subsidiaries, including the Saranac Facility and the Pipeline Facility, MidAmerican Renewables also has direct and indirect interests in approximately the following amount of generating capacity in the following control areas:

a. Approximately 1,900 MW of generating capacity interconnected to the transmission systems operated by the California Independent System Operator Corporation.

b. Approximately 81 MW of generating capacity interconnected to the transmission systems operated by the Midcontinent Independent System Operator, Inc.; and

c. Approximately 521 MW of generating capacity interconnected with the transmission systems operated by PJM.

MEHC also has direct and indirect interests in the operation of the two interstate natural gas pipelines located outside of New York State. Kern River Gas Transmission Company operates a pipeline that originates in the oil and gas producing fields of southwestern Wyoming and extends through Utah and Nevada to the San Joaquin Valley near Bakersfield, California. Northern Natural Gas Company operates an interstate natural gas pipeline system that originates in the Permian Basin in Texas and extends to the Upper Midwest.

<u>TransAlta (CE Gen) Investment USA, Inc.</u>

TransAlta Investment is a direct, wholly owned subsidiary of TransAlta USA Inc. TransAlta USA Inc. is a direct, wholly owned subsidiary of TransAlta Holdings U.S. Inc., which is in turn a wholly owned subsidiary of TransAlta Holdings ULC, a Nova Scotia unlimited liability company. TransAlta Holdings ULC is 86.6667% owned by TransAlta Corporation, a Canadian corporation and 13.3333% owned by TransAlta Power Ltd., a Canadian corporation, which is also, in turn, wholly owned by TransAlta Corporation. TransAlta Investment directly owns 50 percent of the membership interests in CE Generation.

TransAlta Corporation is a publicly traded corporation organized under the laws of Canada with its headquarters in Calgary, Alberta. No person owns more than 10 percent of the outstanding voting securities of TransAlta Corporation. TransAlta Corporation is engaged in the production and sale of electric energy in Canada, the United States, and Australia. In the continental United States, TransAlta Corporation indirectly owns: (1) the described 50 percent membership interest in CE Generation, (2) 100% interests in an approximately 1,500 MW (nameplate) coal-fired electric generation facility and an approximately 248 MW (nameplate) combined-cycle, natural-gas fired electric generation facility, both of which are located near Centralia, Washington, (3) 100% interest in approximately 1 MW Skookumchuck Dam, located 10 miles upstream of Centralia, Washington, and (4) 100% interest in an approximately 144 MW wind-powered electric generation facility in Uinta County, Wyoming.

CORRESPONDENCE AND COMMUNICATION.

Correspondence and communications concerning this filing should be directed to:

Douglas A. Kusyk, General Counsel
MidAmerican Geothermal, LLC
1111 South 103rd Street
Omaha, NE 68124
Telephone: (503)813-6270
Email: Doug.Kusyk@CalEnergy.com

John W. Dax
The Dax Law Firm, P.C.
54 State Street, Suite 805
Albany, New York 12207
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Email: jdax@daxlawfirm.com

THE PROPOSED TRANSACTION

The Transaction consists entirely of the transfer of membership interests in CE Generation from one existing owner to the other, wherein MidAmerican Geothermal shall acquire from TransAlta Investment an additional 50% of the membership interests in CE Generation, while retaining its existing 50% of the membership interests in CE Generation. The proposed Transaction will result in no change to the corporate structure of CE Generation or its subsidiaries. After consummation of the proposed Transaction, CE Generation will remain a direct subsidiary of MidAmerican Geothermal. No other changes in the upstream ownership of Saranac Power or the Saranac Facility will occur. Accordingly, the proposed Transaction would constitute a transfer of upstream ownership interests in a lightly regulated, wholesale merchant generating facility.

DISCUSSION

I. THE COMMISSION SHOULD INVOKE THE WALLKILL PRESUMPTION AND DISCLAIM PSL SECTION 70 AUTHORITY OVER THE PROPOSED TRANSACTION.

The WallKill Presumption was developed within the Commission's lightened regulatory regime to limit interference with competitive markets and advance the public interest. [8] When invoked, the Commission reduces the extent of scrutiny afforded a particular transaction to the level the public interest requires.[9] In applying the WallKill Presumption, the Commission has consistently recognized that PSL Section 70 regulation will not "adhere to transfer of ownership interests in entities upstream from the parents of a New York competitive electric generation subsidiary, unless there is a potential for harm to the interests of captive utility ratepayers sufficient to override the presumption."[10] Therefore, although PSL Section 70 continues to

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[8] WallKill Order, *supra*, p. 7

[9] *Id*.

[10] *See e.g.*, the WallKill Order, *supra*, at 9; *see also*, Case 98-E-1670, Carr Street Generating Station, L.P., *Order Providing for Lightened Regulation* (Issued April 23, 1999); Case-99-E-0148, AES Eastern Energy, L.P., *Order providing for Lightened Regulation* (Issued April 23, 1999); Case 10-E-0454, GDF SUEZ, S.A., International Power plc, Astoria Energy LLC, Astoria Energy II LLC and Syracuse Energy Corporation, *Joint Petition for a Declaratory*

apply to transfers of ownership interests in the remote corporate parents of a New York competitive electric generation subsidiary, the WallKill Presumption provides that PSL Section 70 oversight need not be applied to the proposed Transaction if there is little potential for harm to captive ratepayers in New York.

Application of the WallKill Presumption is appropriate here because the proposed Transaction will not lead to the potential exercise of either horizontal or vertical market power in New York State or result in potential harm to New York ratepayers. As explained, Saranac Power is a lightly regulated EWG that owns and operates a nominal 252 MW natural gas-fired electric generating facility, which it will continue to own and operate after consummation of the proposed Transaction.[11] Its share of the NYISO market is *de minimis* (less than 0.01%).[12] The proposed Transaction relates only to the upstream transfer of an indirect parent of Saranac Power and affects a 50% interest in CE Generation, which in turn owns 75% of the ownership interests in a single 252 MW generating unit and North Country.[13] The Transaction will not result in any change in the role of Saranac Power as the operator of the Saranac Facility and will not result in any adverse changes to the financial qualifications or technical qualifications of Saranac Power. No physical changes will be made to the Saranac Facility and there will be no changes made to the daily operations as a result of the proposed Transaction. The staff and on-site organizational

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Ruling Regarding Change in Ownership Interest or, in the Alternative, an Order Approving the Transaction, Declaratory Ruling on Review of a Merger Transaction, slip op. at 4-6 (Issued November 22, 2010).

[11] *See, e.g.,* Case 13-E-0476, Astoria Energy II LLC, Astoria Project Partners II LLC, SNC-Lavalin Generation, Inc. and Gulf Pacific Power LLC, *Declaratory Ruling on Review of an Ownership Interest Transfer Transaction* (Issued December 23, 2013) at 5.

[12] The Saranac Facility accounts for less than 0.7% of the generation in the NYISO market which equals approximately 37,925 MW. *See* http://www.nyiso.com/public/media_room/key_facts/index.jsp.

[13] *See, e.g.,* SUEZ Energy Astoria, LLC, Astoria Project Partners LLC, Astoria Energy LLC, and MyPower Corp., *Declaratory Ruling on Review of a Transfer Transaction* (Issued October 21, 2013) at 6.

structure, including lines of authority and communication, will not be affected by the proposed Transaction.

In determining whether to apply the Wallkill Presumption, the Commission evaluates horizontal and vertical market power in both the New York market and in the adjoining markets.[14] The Commission also evaluates whether the company or any of its "affiliates exercise control over electric delivery facilities other than interconnections, or a substantial influence over inputs, like fuel, into the production of generation supply within New York."[15] Neither MidAmerican Geothermal nor its affiliates will gain added influence over electric delivery facilities or other inputs into the production of generation supply in New York as a result of the proposed Transaction.

Nor will the proposed Transaction result in an increase in ownership concentration that could create or enhance horizontal market power because the proposed Transaction does not result in consolidation of ownership of previously unaffiliated generation. Neither MidAmerican Geothermal nor its affiliates will acquire control of additional generating capacity in the NYISO or adjoining control areas. As noted, MidAmerican Renewables, the parent corporation of MidAmerican Geothermal, currently has an interest in approximately 1,000 MW of generating capacity in PJM (which represents approximately 0.6% of the PJM market), in addition to its partial interest in Saranac Facility, which together total approximately 1,252 MW of generating capacity in combined NYISO and PJM control area. This amount represents a *de minimus* amount of the total generating capacity available in these control areas and will not increase as a

[14] *See,* Case 12-M-0351, Dynegy Inc.*, Declaratory Ruling on Review of a Stock Acquisition Transaction* (Issued September 14, 2012) at 7.

[15] *Id*.

result of the proposed Transaction.[16] Accordingly, the proposed Transaction will not increase the potential for horizontal power within either the PJM or the NYISO control areas. Nor will the proposed Transaction create vertical market power because Saranac Power has no captive ratepayers and operates only in a competitive market and neither MidAmerican Geothermal nor any of its affiliates owns any electric or gas utilities serving captive retail customers in New York. Therefore, the proposed Transaction does not create any potential for harm to the interests of captive utility ratepayers in New York, nor create or enhance either vertical or horizontal power that could result in potential harm to New York ratepayers.

For the foregoing reasons, the proposed Transaction satisfies the WallKill Presumption because it involves only an ownership transfer occurring upstream of a lightly regulated facility at the holding company level and results in no potential for the exercise of market power or other harm to the interests of captive New York ratepayers. Therefore, the Commission should apply the WallKill Presumption and disclaim further review of the proposed Transaction under PSL Section 70.

II. IF THE COMMISSION DOES NOT APPLY THE WALLKILL PRESUMPTION, IT SHOULD NEVERTHELESS APPROVE THE PROPOSED TRANSACTION BECAUSE THERE ARE NO MARKET POWER CONCERNS AND THE PETITIONER'S ASSETS WILL CONTINUE TO BE SAFELY OPERATED AFTER THE TRANSACTION IS CONSUMMATED.

If the Commission determines that the WallKill Presumption does not apply, Petitioner requests that the Commission approve the proposed Transaction as being in the public interest and provide it with authorization to proceed. When reviewing a petition involving the disposition of lightly-regulated entities pursuant to PSL Section 70, the Commission evaluates

[16] The total combined installed generation capacity in the PJM and NYISO control areas is approximately 221, 601 MW. *See* http://www.pjm.com/~/media/about-pjm/newsroom/fact-sheets/pjm-statistics.ashxMW and *see* http://www.nyiso.com/public/media_room/key_facts/index.jsp.

whether: (i) the transaction will result in concentration of wholesale generation ownership that might enable the exercise of horizontal market power post-closing; (ii) the acquiring entity is affiliated with entities that own or control traditional public utilities, electric transmission facilities, or fuel inputs into generation that operates in markets affecting New York; and (iii) the assets involved will be safely and adequately operated.[17] As demonstrated above, the Transaction raises no concern under any of these considerations and thus should be approved.

III. STATE ENVIRONMENTAL QUALITY REVIEW ACT

A declaratory ruling issued by the Commission does not fall within the scope of actions addressed under State Environmental Quality Review Act (SEQRA).[18] Therefore, if the Commission invokes the WallKill Presumption and issues the requested declaratory ruling, SEQRA will not apply. If, however, the Commission declines to apply the Wallkill Presumption, the proposed Transaction is appropriately classified as "unlisted" and requires SEQRA review. Part 1 of the SEQRA environmental assessment form has been prepared for that purpose (*see* **Exhibit C**). The proposed Transaction relates only to the transfer of indirect ownership interests in Saranac Power and will not change the operation of the Saranac Facility or otherwise result in an adverse environmental impact. The Petitioner will continue to operate the Saranac Facility in accordance with its environmental permits and all applicable environmental laws and the proposed Transaction will not affect any environmental permits or cause new environmental impacts. Therefore, if the Commission reviews the proposed Transaction under PSL Section 70, the Commission should, as lead agency, issue a negative declaration and undertake no further review.

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[17] *See, e.g.,* Case 04-E-0789, Orion Power Holdings, Inc. and Great Lakes Power, Inc., *Order Approving Transfers and a Financing and Making Other Finding* (Issued September 22, 2004) at 14-15.

[18] *See* Article 8 of the New York Environmental Conservation Law, 6 NYCRR § 617 and 16 NYCRR § 7.

CONCLUSION

WHEREFORE, for the above stated reasons, Petitioner respectfully request that the Commission issue a declaratory ruling finding that the proposed Transaction satisfies the requirements of the Wallkill Presumption and, accordingly, may be consummated without the Commission's prior approval under PSL Section 70.

Dated: February 18, 2014
Albany, New York

Respectfully submitted,

John W. Dax
William F. McLaughlin
THE DAX LAW FIRM, P.C.
Attorneys for Saranac Power Partners, L.P.
54 State Street, Suite 805
Albany, New York 12207
Telephone: (518) 432-1002
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Email: jdax@daxlawfirm.com

EXHIBITS

Exhibit A – Organizational Chart – Current Structure

Exhibit B – Organizational Chart – Post-Transaction Structure

Exhibit C – Short Environmental Assessment Form

EXHIBIT A

Existing Ownership

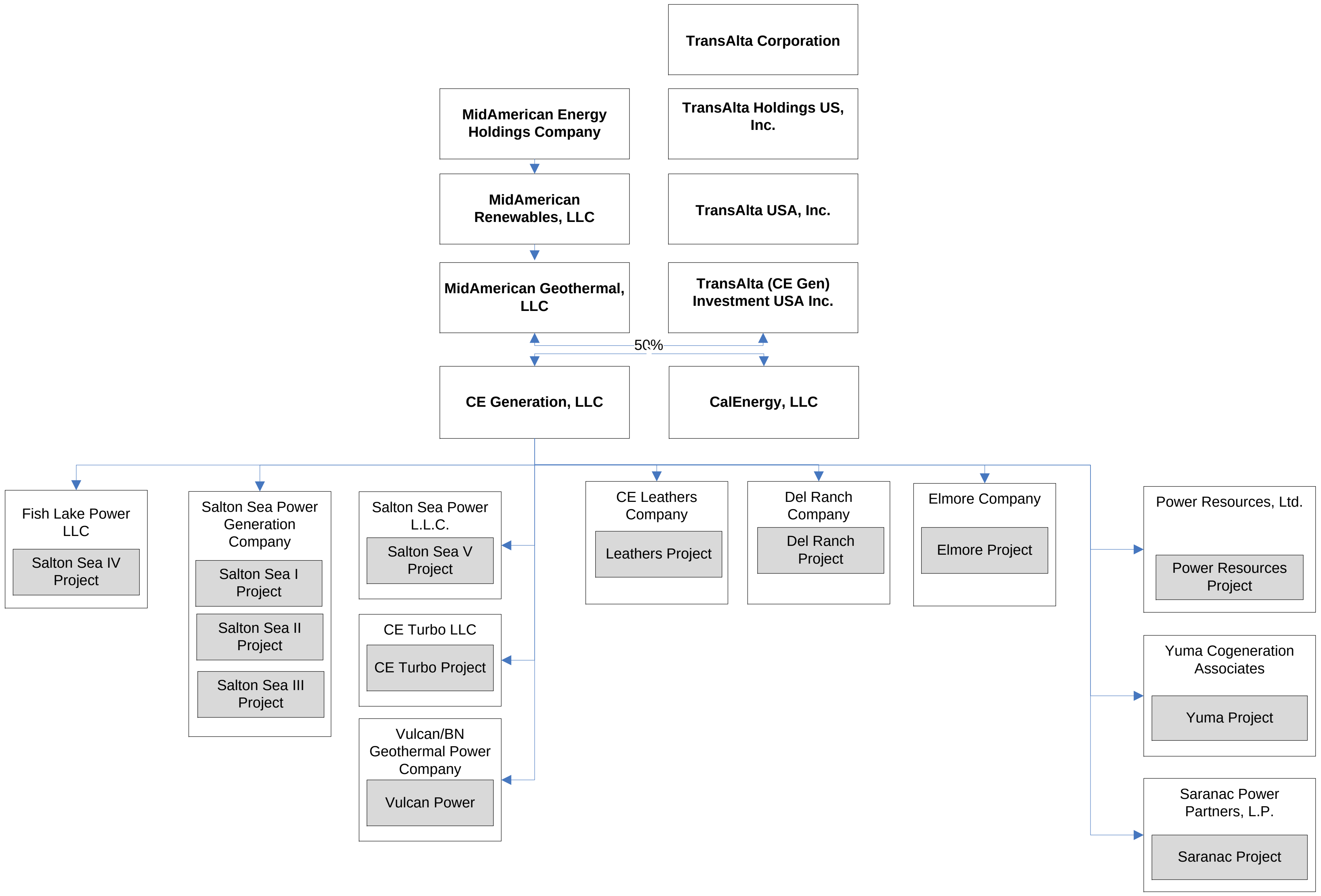
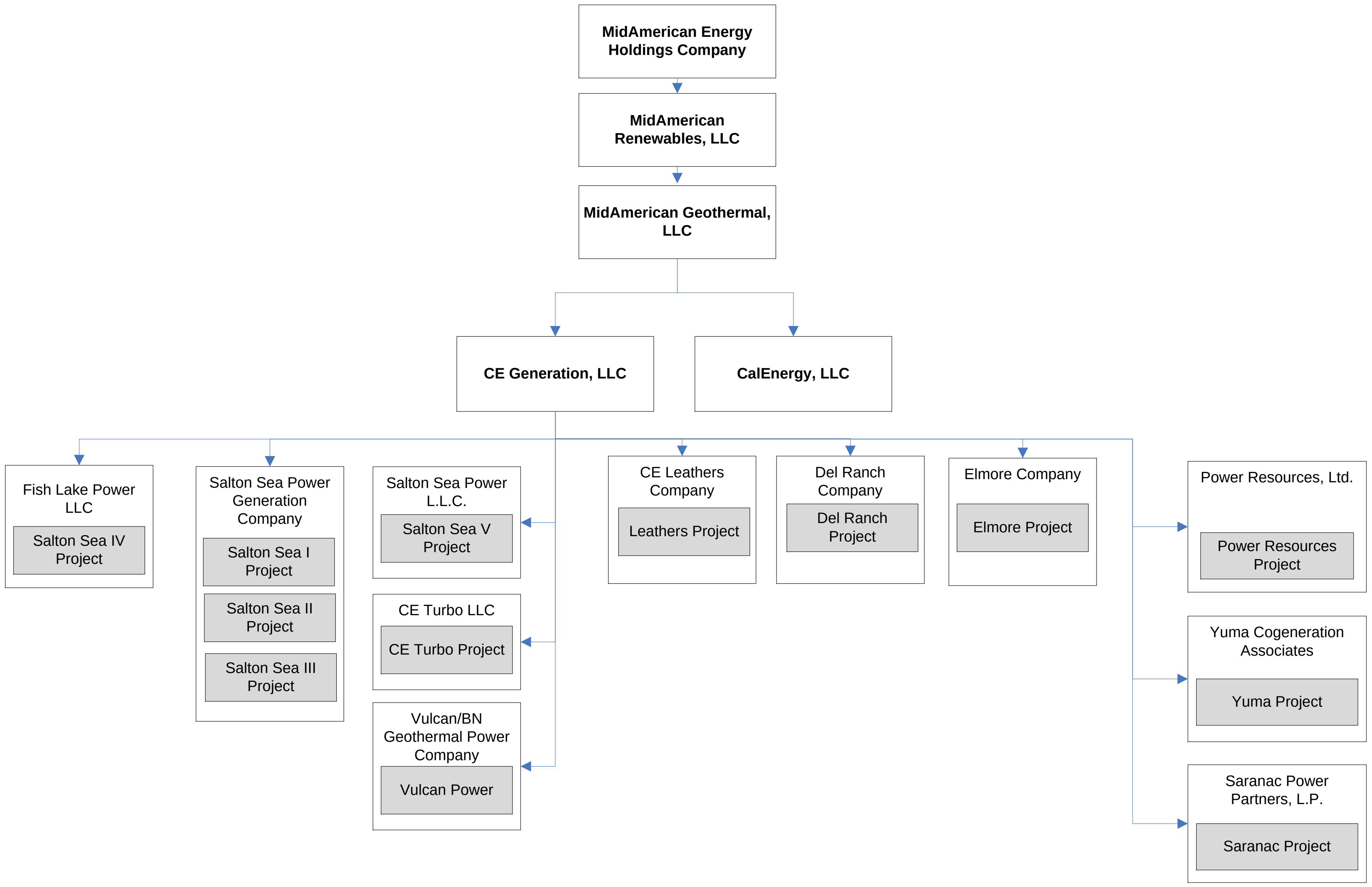


EXHIBIT B

Post-Transaction Ownership



STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of	:	
SARANAC POWER PARTNERS, L.P.	:	Case 14-E-_____
Verified Petition of Saranac Power Partners, L.P. for a Declaratory Ruling Regarding the Application of Public Service Law Section 70, or in the Alternative, an Order Granting Approval Under Public Service Law Section 70 for the Transfer of Upstream Ownership Interests	:	

VERIFICATION

STATE OF CALIFORNIA)
) SS:
COUNTY OF IMPERIAL)

I, STEVE LARSEN, being duly sworn, deposes and says: I am the president of SARANAC ENERGY COMPANY, INC., a Delaware corporation, which corporation is the general partner of SARANAC POWER PARTNERS, INC., the petitioner herein; I have read the foregoing Verified Petition and know the facts presented therein with respect to SARANAC POWER PARTNERS, L.P., to be true and accurate based on the information and records available to me as the president of the company.

STEVE LARSEN

Sworn to before me this
18 day of February, 2014

Notary Public

MARY JO PEREZ-BROWN
Commission # 1886509
Notary Public - California
Imperial County
My Comm. Expires Apr 22, 2014

617.20
Appendix B
Short Environmental Assessment Form

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information

Saranac Power Partners, L.P.

Name of Action or Project:
Proposed Transfer of Upstream Equity Interests in Parent Corporation

Project Location (describe, and attach a location map):
N/A

Brief Description of Proposed Action:
The proposed action involves only a transfer of ownership interests in a holding company upstream of the owner of an electric generating facility and will not result in any physical alterations to the facility or its operation or to the natural or human environments. Consequently, several of the items in Part 1 are left unanswered, which should be interpreted as indicating "Not Applicable."

Name of Applicant or Sponsor:	Telephone: (518) 563-1072
Saranac Power Partners, L.P.	E-Mail: Steve.larsen@Calenergy.com

Address:
99 Weed Street Ext., PO Box 2985

City/PO:	State:	Zip Code:
Plattsburgh	NY	12901

	NO	YES
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.	☑	☐
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: Consummation of the proposed transaction will require authorization under Section 203 of the Federal Power Act. No additional approvals will be required from any other government Agency in NYS.	☐	☑

3.a. Total acreage of the site of the proposed action? ________ acres
b. Total acreage to be physically disturbed? ________ acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? ________ acres

4. Check all land uses that occur on, adjoining and near the proposed action.
☐ Urban ☐ Rural (non-agriculture) ☐ Industrial ☐ Commercial ☐ Residential (suburban)
☐ Forest ☐ Agriculture ☐ Aquatic ☐ Other (specify): ________
☐ Parkland

	NO	YES	N/A
5. Is the proposed action, a. A permitted use under the zoning regulations?	☐	☐	☑
b. Consistent with the adopted comprehensive plan?	☐	☐	☑

	NO	YES
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	☐	☐
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: ______	☐	☐
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	☑	☐
b. Are public transportation service(s) available at or near the site of the proposed action?	☐	☐
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	☐	☐
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: ______	☐	☐
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: ______	☐	☐
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: ______	☐	☐
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	☐	☐
b. Is the proposed action located in an archeological sensitive area?	☐	☐
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	☐	☐
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: ______	☐	☐

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:
☐ Shoreline ☐ Forest ☐ Agricultural/grasslands ☐ Early mid-successional
☐ Wetland ☐ Urban ☐ Suburban

	NO	YES
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	☐	☐
16. Is the project site located in the 100 year flood plain?	☐	☐
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? ☐ NO ☐ YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: ☐ NO ☐ YES ______	☐	☐

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: ____________________	NO	YES
	☐	☐
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: ____________________	NO	YES
	☐	☐
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: ____________________	NO	YES
	☐	☐

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: Stephen Larsen   Date: 2/18/14

Signature: Stephen Larsen

Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	☐	☐
2. Will the proposed action result in a change in the use or intensity of use of land?	☐	☐
3. Will the proposed action impair the character or quality of the existing community?	☐	☐
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	☐	☐
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	☐	☐
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	☐	☐
7. Will the proposed action impact existing: a. public / private water supplies?	☐	☐
b. public / private wastewater treatment utilities?	☐	☐
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	☐	☐
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	☐	☐

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	☐	☐
11. Will the proposed action create a hazard to environmental resources or human health?	☐	☐

Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

Name of Lead Agency	Date
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT