

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

Calpine Energy Services, L.P.	)	Docket No. ER10-2042-___
Calpine Construction Finance Company, L.P.	)	Docket No. ER10-1942-___
Calpine Energy Solutions, LLC	)	Docket No. ER17-696-___
Calpine Gilroy Cogen, L.P.	)	Docket No. ER10-1941-___
Calpine King City Cogen, LLC	)	Docket No. ER19-1127-___
Calpine PowerAmerica – CA, LLC	)	Docket No. ER10-1938-___
CCFC Sutter Energy, LLC	)	Docket No. ER13-1407-___
CES Marketing IX, LLC	)	Docket No. ER10-1934-___
CES Marketing X, LLC	)	Docket No. ER10-1893-___
Champion Energy, LLC	)	Docket No. ER10-3051-___
Champion Energy Marketing LLC	)	Docket No. ER10-2985-___
Champion Energy Services, LLC	)	Docket No. ER10-3049-___
Creed Energy Center, LLC	)	Docket No. ER10-1888-___
Delta Energy Center, LLC	)	Docket No. ER10-1885-___
Geysers Power Company, LLC	)	Docket No. ER10-1884-___
Gilroy Energy Center, LLC	)	Docket No. ER10-1883-___
Goose Haven Energy Center, LLC	)	Docket No. ER10-1878-___
Johanna Energy Center, LLC	)	Docket No. ER20-1699-___
Los Esteros Critical Energy Facility, LLC	)	Docket No. ER10-1876-___
Los Medanos Energy Center, LLC	)	Docket No. ER10-1875-___
Metcalf Energy Center, LLC	)	Docket No. ER10-1873-___
North American Power and Gas, LLC	)	Docket No. ER11-4369-___
North American Power Business, LLC	)	Docket No. ER16-2218-___
O.L.S. Energy-Agnews, Inc.	)	Docket No. ER12-1987-___
Otay Mesa Energy Center, LLC	)	Docket No. ER10-1947-___
Pastoria Energy Facility L.L.C.	)	Docket No. ER12-2645-___
Power Contract Financing, L.L.C.	)	Docket No. ER10-1862-___
Russell City Energy Company, LLC	)	Docket No. ER12-2261-___
South Point Energy Center, LLC	)	Docket No. ER10-1865-___

UPDATED MARKET POWER ANALYSIS

Pursuant to Section 35.37 of the regulations of the Federal Energy Regulatory Commission (the “Commission”),¹ the above-captioned indirect subsidiaries of Calpine Corporation (“Calpine”) that own or control generation in the Southwest region, as defined in Appendix D to

¹ 18 C.F.R. § 35.37 (2021).

Order No. 697,² or that are power marketers authorized to make sales in the Southwest region (the “Calpine Southwest MBR Sellers”) hereby submit for filing their joint triennial updated market power analysis for the Southwest region.³ As discussed below, the Calpine Southwest MBR Sellers continue to satisfy the Commission’s tests for market-based rate authorization.

I. COMMUNICATIONS

All correspondence, communications, pleadings, and other documents related to this filing should be addressed to the following persons:

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² *Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 697, 119 FERC ¶ 61,295 (“Order No. 697”), *clarified*, 121 FERC ¶ 61,260 (2007) (the “Clarification Order”), *on reh’g*, Order No. 697-A, 123 FERC ¶ 61,055, *clarified*, 124 FERC ¶ 61,055, *on reh’g*, Order No. 697-B, 125 FERC ¶ 61,326 (2008), *on reh’g*, Order No. 697-C, 127 FERC ¶ 61,284 (2009), *on reh’g*, Order No. 697-D, 130 FERC ¶ 61,206 (2010), *clarified*, 131 FERC ¶ 61,021 (2010), *aff’d sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

³ Under the schedule posted on the Commission’s website, transmission owners in the Southwest region are required to file their updated market power analyses in December 2021, and other sellers in the region are required to file their updated market power analyses in June 2022. *See* FERC, *Triennial Review, Southwest Region*, <https://www.ferc.gov/industries-data/electric/overview/electric-market-based-rates/when-and-what-file/triennial-review-southwest-region>. The Calpine Southwest MBR Sellers do not own or control transmission facilities (other than limited transmission facilities necessary to interconnect generation with the transmission grid) but, as discussed below, are affiliated with one entity that owns transmission facilities (other than limited transmission facilities necessary to interconnect generation with the transmission grid) in the Southwest region. Given this affiliation and out of an abundance of caution, the Calpine Southwest MBR Sellers are submitting this updated market power analysis filing in December 2021, rather than June 2022. *See* Order No. 697, 119 FERC ¶ 61,295 at PP 889-91. *See also* Clarification Order, 121 FERC ¶ 61,260 at P 10.

II. THE CALPINE SOUTHWEST MBR SELLERS AND RELEVANT AFFILIATES⁴

A. Calpine and the Calpine Southwest MBR Sellers

As discussed in greater detail below, each of the Calpine Southwest MBR Sellers is an indirect subsidiary of Calpine, which is, in turn, a wholly owned subsidiary of CPN Management, LP (“CPN Management”).⁵ Calpine is a Delaware corporation engaged through various subsidiaries in the development, financing, acquisition, ownership, and operation of independent power production facilities, and the wholesale and retail marketing of electricity in the United States and Canada. Through certain of the Calpine Southwest MBR Sellers and various other subsidiaries, Calpine owns, leases, and operates natural gas-fired and renewable geothermal power plants in the United States and Canada with an aggregate generating capacity of nearly 26,000 MW.

The individual Calpine Southwest MBR Sellers are described in more detail below.

1. Calpine Energy Services, L.P. (“CES”)

CES is a power marketer.⁶ The equity interests of CES are owned by: (1) Calpine Energy Services GP, LLC (“CES GP”), as 1 percent general partner; and (2) Calpine Energy Services LP, LLC (“CES LP”), as 99 percent limited partner. All of the membership interests of CES LP are owned by CES GP, all of whose membership interests are owned by Calpine.

⁴ The Calpine Southwest MBR Sellers have affiliates that are qualifying facilities (“QFs”) exempt from Section 205 of the Federal Power Act (the “FPA”), 16 U.S.C. § 824d (2018), and/or that only own or control behind-the-meter generation facilities. These entities are not relevant to the competitive analysis, and their generation has not been included in the Calpine Southwest MBR Sellers’ assets appendix. *See Refinements to Policies & Procedures for Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 816, 153 FERC ¶ 61,065 at P 255 (2015) (“Order No. 816”), *on reh’g*, Order No. 816-A, 155 FERC ¶ 61,188 at P 5 (2016).

⁵ CPN Management’s upstream ownership is described below in Section II.C.

⁶ *See Calpine Energy Servs., L.P.*, Docket No. ER00-3562-000 (Sept. 21, 2000) (unreported) (granting market-based rate authority).

2. Calpine Construction Finance Company, L.P. (“CCFC”)

CCFC is a power marketer.⁷ The equity interests of CCFC are owned by: (1) Calpine CCFC GP, LLC (“CCFC GP”), as 1 percent general partner; and (2) Calpine CCFC LP, LLC (“CCFC LP”), as 99 percent limited partner. All of the membership interests of each of CCFC GP and CCFC LP are owned by CCFC Preferred Holdings, LLC, all of whose membership interests are owned by Calpine Power Company (“Calpine Power”). Calpine Power is a wholly owned subsidiary of Calpine.

3. Calpine Energy Solutions, LLC (“Calpine Solutions”)

Calpine Solutions is a power marketer.⁸ All of the membership interests of Calpine Solutions are owned by Calpine Energy Services Holdco II LLC, all of whose membership interests are owned by Calpine Retail Holdings, LLC (“Calpine Retail”). All of the membership interests of Calpine Retail are owned by CES GP.⁹

4. Calpine Gilroy Cogen, L.P. (“Calpine Gilroy”)

Calpine Gilroy is an EWG that owns and operates a natural gas-fired generation facility (Gilroy Power Plant) with a capacity of approximately 115 MW (summer rating) in Gilroy, California, within the California Independent System Operator Corporation (“CAISO”) market.¹⁰

⁷ See *Lake Worth Generation, L.L.C.*, 90 FERC ¶ 61,164 (2000) (granting market-based rate authority). CCFC is considered a wholesale power marketer despite being an exempt wholesale generator (“EWG”) and owning and operating a generation facility (the Magic Valley Generating Station), because its generation facility is not located in a Commission-jurisdictional market. Rather, the Magic Valley Generating Station is interconnected exclusively with the transmission system controlled by the Electric Reliability Council of Texas (“ERCOT”).

⁸ See *Enova Energy, Inc.*, 76 FERC ¶ 61,242 (1996) (granting market-based rate authority).

⁹ CES GP’s upstream ownership is described above in Section II.A.1.

¹⁰ See Notice of Self-Certification of Exempt Wholesale Generator Status, Docket No. EG19-25-000 (filed Nov. 26, 2018); *TG High Prairie, LLC*, Notice of Effectiveness of Exempt Wholesale Generator and Foreign Utility Company Status, Docket Nos. EG19-16-000, *et al.* (Feb. 6, 2019) (unreported) (“*TG High Prairie*”); *Carville Energy LLC*, Docket Nos. ER06-741-000, *et al.* (Apr. 24, 2006) (“*Carville*”) (unreported) (granting market-based rate authority), *on reh’g*, 116 FERC ¶ 61,095 (2006).

The equity interests of Calpine Gilroy are owned by: (1) Calpine Gilroy 1, Inc. (“Calpine Gilroy 1”) (1 percent), and (2) Calpine Power (99 percent). Calpine Gilroy 1 is a wholly owned subsidiary of Calpine Power.¹¹

5. Calpine King City Cogen, LLC (“King City Cogen”)

King City Cogen is an EWG that owns and operates an approximately 111 MW (summer rating) natural gas-fired cogeneration facility in King City, California, within the CAISO market.¹² All of the membership interests of King City Cogen are owned by Calpine King City, Inc., all of whose membership interests are owned by Calpine Power.¹³

6. Calpine PowerAmerica – CA, LLC (“PowerAmerica”)

PowerAmerica is a power marketer.¹⁴ All of the membership interests of PowerAmerica are owned by Calpine PowerAmerica, LLC, all of whose membership interests are owned by CES GP.¹⁵

7. CCFC Sutter Energy, LLC (“CCFC Sutter”)

CCFC Sutter is an EWG that owns and operates an approximately 530 MW (summer rating) natural gas-fired generation facility near Yuba City, California, within the Balancing Authority of Northern California (“BANC”) BAA.¹⁶ All of the membership interests of CCFC

¹¹ Calpine Power’s upstream ownership is described above in Section II.A.2.

¹² See *Calpine King City Cogen, LLC*, 108 FERC ¶ 62,010 (2004) (granting EWG status); *Calpine King City Cogen, LLC*, Docket No. ER19-1127-000 (Apr. 18, 2019) (unreported) (granting market-based rate authority).

¹³ Calpine Power’s upstream ownership is described above in Section II.A.2.

¹⁴ See *Calpine Power Am. – OR, LLC*, Docket Nos. ER03-341-000, *et al.* (Feb. 24, 2003) (unreported) (granting market-based rate authority).

¹⁵ CES GP’s upstream ownership is described above in Section II.A.1.

¹⁶ See Notice of Self-Certification of Exempt Wholesale Generator Status, Docket No. EG13-40-000 (filed June 10, 2013), *Chestnut Flats Lessee, LLC*, Notice of Effectiveness of Exempt Wholesale Generator Status, Docket Nos. EG13-38-000, *et al.* (Sept. 23, 2013) (unreported); *CCFC Sutter Energy, LLC*, Docket No. ER13-1407-000 (June 20, 2013) (unreported) (granting market-based rate authority).

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