

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

DTE Stockton, LLC

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Docket No. ER13-____-000

**APPLICATION
FOR ORDER AUTHORIZING
MARKET-BASED RATES AND REQUEST FOR CERTAIN
WAIVERS AND BLANKET AUTHORIZATIONS, INCLUDING A REQUEST FOR
BLANKET APPROVAL UNDER 18 C.F.R. PART 34 OF ALL FUTURE ISSUANCES OF
SECURITIES AND ASSUMPTIONS OF LIABILITY**

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March 22, 2013

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Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ Rule 35.12 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure,² and Rule 205 of the Commission’s regulations,³ DTE Stockton, LLC (“Applicant”) hereby requests that the Commission: (i) accept for filing the proposed market-based rate tariff contained in Attachment A hereto and submitted herewith in RTF format with metadata attached through the Commission’s eTariff system (the “Tariff”); (ii) authorize Applicant to sell energy, capacity, and certain ancillary services at market-based rates; (iii) waive certain of the Commission’s regulations as described herein; (iv) grant certain pre-approvals and blanket authorizations as have been granted by the Commission to other sellers authorized to sell at market-based rates; (v) designate Applicant a Category 1 seller in all regions; and (vi) make

¹ 16 U.S.C. § 824d (2010).

² 18 C.F.R. § 35.12 (2012).

³ *Id.* § 385.205.

Applicant's Tariff effective April 17, 2013. In support of this Application, Applicant states as follows:

I. PROCEDURAL MATTERS

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

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* Designated for service pursuant to Section 385.2010 of the Commission's regulations.⁴

II. LIST OF DOCUMENTS SUBMITTED WITH THIS APPLICATION

Applicant includes the following attachments with this Application:

- Proposed DTE Stockton, LLC, FERC Electric Tariff (Attachment A and filed concurrently in "RTF" format);
- Appendices required by Order No. 697⁵ listing (1) all affiliates that have market-based rate authority and identifying all generation assets owned or controlled by the corporate family by balancing authority area and geographic region; and (2) all electric transmission and natural gas intrastate pipelines and/or gas storage facilities owned or controlled by the corporate family (Attachment B);
- Horizontal market power indicative screens and related source documents (Attachment C); and

⁴ *Id.* § 385.2010.

⁵ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 at P 181 n.258 (2008), *clarified*, 124 FERC ¶ 61,055 (2008), *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010) 2010), *aff'd sub nom. Mont. Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

- Descriptions of energy affiliates of Applicant that operate in other regions than the Southwest region (Attachment D).

III. DESCRIPTION OF APPLICANT AND ITS AFFILIATES

Applicant, a Delaware limited liability company, will own and operate a biomass-fired facility currently under development in Stockton, California (“Facility”). The Facility is located in the California Independent System Operator Corporation (“CAISO”) balancing authority area (“BAA”). The Facility is expected to be in-service in July 2013.⁶ Once complete, the Facility will have a capacity of 58.82 MW (gross nameplate).⁷ All output from the Facility will be sold to Pacific Gas and Electric Company (“PG&E”) pursuant to a long-term power purchase agreement (“PPA”).

Applicant is an indirect, wholly owned subsidiary of DTE Energy Company (“DTE Energy”), a public utility holding company. Applicant is wholly owned by DTE Woodland, LLC which, in turn, is a wholly owned subsidiary of DTE Energy Services, Inc. (“DTEES”). DTEES is wholly owned by DTE Energy Resources, LLC which, in turn, is wholly owned by DTE Energy.

The CAISO BAA is the relevant geographic market for purposes of FERC’s market power analyses, since the Facility is located in the CAISO BAA.⁸ Energy affiliates of Applicant that are located and/or operate outside of the CAISO BAA are described in Attachment D. Applicant is affiliated with the following entities that own or control generation facilities in the CAISO BAA:

⁶ Applicant filed a self-certification for the Facility as a Qualifying Facility (“QF”) on March 1, 2013 in Docket No. QF13-322.

⁷ The Facility’s maximum delivery to the grid is expected to be 52.94 MW, net of station power and losses.

⁸ Order No. 697 at P 235.

Mt. Poso Cogeneration Company, LLC (“Mt. Poso”) is 50 percent owned by DTE Mt. Poso LLC, a subsidiary of DTE Energy, and 50 percent owned by Macpherson Green Power Company, LLC. Mt. Poso owns a 53.8 MW cogeneration facility in Bakersfield, California, within the CAISO BAA that was converted from a coal-fired to a renewable woody biomass-fired facility and has entered into a long-term PPA with PG&E to sell all of the output from the facility. Mt. Poso self-certified the facility as a QF⁹ and has been granted market-based rate authority by the Commission.¹⁰

DTE Woodland, LLC, an indirect, wholly owned subsidiary of DTE Energy, owns both the general partnership interest and the limited partner interests in Woodland Biomass Power Ltd. (“Woodland Biomass”). CIF Woodland, Inc. holds the Class A limited partner interest in Woodland Biomass. Woodland Biomass owns and operates a 29 MW biomass-facility in Woodland, California, within the CAISO BAA that sells all of its output under a long-term PPA with PG&E that expires on February 20, 2015. Woodland Biomass’s facility is certified as a QF,¹¹ and Woodland Biomass has been granted market-based rate authority by the Commission.¹²

In addition, DTE Biomass Energy, Inc. (“DTE Biomass”), an indirect, wholly owned subsidiary of DTE Energy, holds interests in Kiefer Landfill Generating II, LLC (“Kiefer II”) that owns a 6.1 MW landfill gas facility in Slough House, California. Kiefer II is fully

⁹ *Mt. Poso Cogeneration Co.*, Docket No. QF85-324-008, Notice of Self-Recertification of Qualifying Facility (filed Mar. 26, 2012, supplemented Apr. 5, 2012).

¹⁰ *Mt. Poso Cogeneration Co.*, Docket No. ER11-4626-000 (unpublished delegated letter order issued Oct. 31, 2011).

¹¹ *Woodland Biomass Power, Ltd.*, 113 FERC ¶ 61,090 (2005). Most recently, Woodland Biomass filed a notice of self-recertification of QF status on February 27, 2007. *Woodland Biomass Power, Ltd.*, Docket No. QF88-61-005 (filed Feb. 27, 2007).

¹² *Woodland Biomass Power, Ltd.*, Docket No. ER09-1061-000 (unpublished delegated letter order issued June 24, 2009).

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