

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

January 25, 2008

Cheryl Cox, Mayor
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910**Re: Sunrise Powerlink Transmission Project EIR/EIS and Repowering the South Bay Power Plant**

Dear Mayor Cox,

Thank you for your letter of January 11, 2008 to ALJ Steven Weissman stating your concern about placing a new fossil-fueled power plant on Chula Vista's bayfront.

In the scoping process for the EIR/EIS, both agency and private parties recommended that the document consider an in-basin generation alternative. Therefore, the Draft EIR/EIS for the Sunrise Powerlink Project considers two typical or representative "non-wires alternative" packages to the proposed Sunrise Powerlink transmission line that include a combination of gas-fired and/or renewable generation in San Diego County. Preparation of the Draft EIR/EIS began in late 2006, at which time LS Power had an active Application for Certification (AFC) for the repowering of the South Bay Power Plant with the California Energy Commission. The ongoing status of energy projects in the San Diego area has made it difficult to develop a fixed scenario of specific gas-fired power plants, so the decision was made to define a typical or representative set of generation options.

In developing a feasible "non-wires all source" generation scenario, the EIR/EIS team used information that was current during 2007. The impact analysis for the South Bay Repower Project was completed prior to the withdrawal of the AFC in October 2007, and thus was retained as representing a typical generation scenario. The South Bay Power plant analysis was presented to demonstrate the types of impacts that could result from a coastal power plant in San Diego County. Consistent with this approach, the Draft EIR/EIS explains that "The projects considered in this EIR/EIS are representative of reasonable generation scenarios, and are not intended to depend on the progress of contracts for individual utility projects." At page E.5-1, the following explanation is presented:

"The capacity provided by conventional generation projects under this alternative would include 620 MW from the South Bay Replacement Project, 750 MW from the San Diego Community Power Project proposed by ENPEX Corp., or 540 MW from the Encina Power Plant Repowering project (Carlsbad Energy Center) proposed by NRG Energy ... LS Power withdrew the South Bay Replacement Project Application for

Certification from consideration by the California Energy Commission in October 2007, after this alternative had been defined and analyzed. The South Bay Replacement Project is retained as one of two possible baseload power plants that could be constructed in the San Diego areas, even though the AFC is no longer active. Impacts of this power plant are considered to be representative of other baseload plants." (emphasis added)

The CPUC/BLM environmental team is fully aware of the current status of the South Bay Power Plant Application for Certification and of the City's position in opposition to the Bayfront location. We are grateful for your comments on this issue and will give them full consideration as part of our review of the draft EIR/EIS.

Sincerely,

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cc: ALJ Weissman
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