

**REPORTER'S TRANSCRIPT OF SCOPING MEETING
RE: SDG&E'S PROPOSED SUNRISE POWERLINK PROJECT
CPUC/BLM SECOND ROUND OF SCOPING MEETINGS
FOR PREPARATION OF DRAFT EIR/EIS**

Held 12:30 p.m. February 5, 2007
At El Centro, California

Reported by:
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STAFF PRESENTATION

Lewis Michaelson – Katz & Associates, Public Facilitator
Billie Blanchard – California Public Utilities Commission
Susan Lee – Aspen Environmental Group
Lynda Kastoll – Bureau of Land Management

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STAFF PRESENTATION

MR. MICHAELSON: Good afternoon. My name is Lewis Michaelson. I work for the firm of Katz & Associates and I've been asked by the California Public Utilities Commission and Bureau of Land Management to serve as the moderator for the series of scoping meetings that we're going to be holding this week in San Diego and in Imperial County. If you have a copy of the presentation, which I hope you do in front of you, you'll see that it says, "Second Round of Scoping Meetings on Alternatives for Draft EIR/EIS." I actually recognize quite a few of the faces in the audience from the first round, which we held back in October, seven meetings in five locations including this one.

The agenda for this one is somewhat similar to what you were used to if you were at the first meeting, but I think with an important difference. First of all, we're going to have speakers from the Bureau of Land Management, the California Public Utilities Commission go over some of the new developments that have occurred particularly as they relate to alternatives since the first round. And then we're going to talk specifically about which ones have been added and which ones have been eliminated for further consideration. And then we're going to get to the part that many of you I know came for which is the opportunity for us to hear comments from the public and agencies.

So why are we doing scoping again? Well, the purpose of part two of scoping is to inform the public and responsible agencies about the alternatives proposed for full analysis in the Draft EIR/EIS and for elimination. EIR meaning Environmental Impact Report. EIS meaning Environmental Impact Statement. One is prepared under State law to satisfy the requirements for the California Public Utilities Commission. And the other one, the EIS, is prepared under the National Environmental Policy Act for the Bureau of Land Management's purposes.

While these meetings are not required, if you have been involved in these kinds of documents and processes before, you'll know that the alternatives are really the heart of these environmental reviews and documents. And given that a lot has happened since the first round, since the first set of alternatives were brought forward, both the CPUC and the BLM decided that out of fairness and good public information that it was a good idea to go around and do a second round of these to make sure that everybody is as fully informed as possible. So I urge you to pay attention because some of the alternatives that may have caused you pause or concern before may no longer actually be under consideration, and vice versa, other things that weren't under consideration before may now be. So it's important to know kind of what's in and what's out so to speak.

Another purpose is to inform you about the Environmental Review Process and final schedule as it's looking it's going to turn out to be. Obviously we're here to solicit input regarding the alternatives to the proposed project to be fully analyzed in the EIR and EIS and those proposed to be eliminated. And by that we mean — the scoping process, the first round was one of the best ones that I ever participated in or seen in terms of a lot of very focused, targeted, constructive, relevant comments made about concerns and environmental issues that the public and agencies wanted to make sure were considered about the proposed project.

The focus today in this series of meetings is on those alternatives, so I'm hoping to the degree that you can to provide input on the alternatives to the proposed project, that would make the second round the most useful and the most constructive.

And, finally, the purpose of this part two of scoping is to prepare a second alternative scoping report for distribution or repositories and placed on the project web site after they've had the benefit of all of your comments.

I've already alluded to the fact that we have the California Public Utilities Commission and Bureau of Land Management here, the fact that they have two different processes, CEQA and NEPA, under which they prepare their documents. Other key players obviously is San Diego Gas & Electric Company. They are the Applicant. They are not a part of this proceeding today. They are not on the panel with us, and therefore, if you would just realize that you're directing your comments to those people who are reviewing this proposal, not the people who are actually making the proposal, that would be useful. And, finally, we also have Aspen Environmental Group here. They were out there answering many of your questions beforehand and they were also handling the basic preparation of the documents themselves with the oversight of the federal and state agencies involved.

With that I will now turn it over to our next speaker, which is Billie Blanchard, talk about the CPUC review process.

MS. BLANCHARD: Yeah, real quickly. The CPUC has two processes that we're going through right now. One is the general proceeding. And note that the Application number now is 06-08-010. There was an older Application number that has been closed out. We are, of course, in the middle of the environmental review process right now. As many of you may already know, but I'll go over this again, is that the assigned commissioner is Dian Grueneich and the administrative law judge is Steve Weissman. And the scope of the proceeding for the CPCN is determined by a public utilities code, which basically is determining the need for the project, considering community values, recreation park, historic and aesthetic values, and also the environmental impacts of the project through CEQA, California Environmental Quality Act.

We have listed here some of the major dates for the general proceeding part. There's already been a lot of activity going on with several prehearing conferences. There was a scoping memo on the scope of the proceeding, the issues that would be addressed, the schedule, that came out in November. There was a recent ruling that modified the schedule somewhat that came out January 26th. There is testimony that will start — it started now actually with January 26th. Evidentiary hearings will begin in July of 2007. Right now they're proposing a decision out in December of 2007 and a final decision in January of 2008.

When we were out here before on scoping, we didn't have a firm schedule on our EIR/EIS process and we indicated that there were things that we still had to work out and that we would come back with a more finalized scheduling. So now — it's also in the notice that was sent out, it's on Page 2, but basically we are now in a second round of scoping on alternatives that's going to go from January 24th to February 24th, 2007. We are putting out another scoping report on this in March of 2007. We're proposing to release the Draft EIR/EIS July 13th, 2007. And then the public review will occur for 90 days from July 13th to October 12th. A final is proposed to be out November 20th, 2007. And certification, if the CPUC makes a decision, January 2008.

MS. KASTOLL: Hi, I'm Lynda Kastoll with the Bureau of Land Management here in El Centro. The reason BLM is involved in this project is SDG&E has filed an application with BLM to cross approximately 31 miles in Imperial County and 1.3 miles in San Diego County, BLM administrative lands. In addition there is a 26-mile long right-of-way across Anza-Borrego that was

issued by BLM in 1955. Our continued role in that right-of-way is under review and we'll have a decision in the next few weeks on that.

Another part of our role is in order to leave Imperial Substation and get to San Diego, the power line would deviate from an existing designated utility corridor, so we have to do a plan amendment to our desert plan in order to consider this project. It will be addressed in this EIS/EIR along with the proposed action.

BLM is also responsible for coordination and consulting with other governmental agencies such as Native American tribes. And we have recently sent out invitations to BIA, Forest Service, U.S. Fish & Wildlife Service, and one more, Department of Defense to participate as a cooperating agency in this process.

Our Record of Decision we hope to be issued around January of 2008 also. This document would be used to aid us in making that decision, whether or not to issue a right-of-way, whether or not to amend our plan to accommodate the proposed project.

MS. LEE: I'm going to briefly describe what the proposed project is and I'm going to try and do it using these maps, so let me know if you can't hear me.

You all have these maps also in your handout, so it might be easier for you to follow along looking at that. The handout that is the Scoping Notice includes Figure 1, which is an overview of the proposed project. And as you look at that map there are two major portions to the transmission line, the blue line part which starts down here at the Imperial Valley Substation continues up through Imperial County and into San Diego County all the way through Anza-Borrego, which is the big green area here, and ends up here at the proposed Central East Substation, which would be a brand new substation proposed by SDG&E. And then the second transmission portion is the red line portion starting here going south through Santa Ysabel down through Ramona and off to the coast all the way to the Peñasquitos Substation in the city of San Diego.

In addition to the transmission line, the 500 and 230 kV portions of the transmission line, there are other upgrades required by the project. One, as I mentioned, is a new substation. This is a parcel that SDG&E has purchased already. They own 400 acres but propose to grade about 100 acres of it in order to end up with a 40-acre leveled substation. That's again up in the San Felipe area.

There are two other components of the project where substations that are already existing would be modified within the substation areas. And then in addition to that, SDG&E has told us in the last month or so that the construction of the new substation that's proposed in the San Felipe area, the substation is built for the ultimate build out of four to six 230 kV transmission lines. SDG&E is proposing two circuits of 230 kV that are following the red line here.

We're going to analyze in our EIR/EIS what we're calling future phases of the project. These are lines that may be built 10 years from now. We don't know what the timing is, but we want to at least disclose in this document the possibility that additional lines will be built out of that substation. We're speculating that one will be to the Escondido area and likely another one following the route of the proposed project. So that's another issue that will be addressed in our EIR/EIS.

One thing that I'm going to go through also today, and fairly quick, is to talk about the impacts of the project within each link, because identifying the impacts of this project is the primary way we

decide where alternatives should be located. So I'm going to talk about the Imperial Valley link, which is obviously where we are, and a little bit about Anza-Borrego. I'm not going to talk today, unless someone request it, about the links that are further to the west. We'll be doing meetings in other locations and we're assuming that the interest here is primarily on the desert portion.

So, again, we're here in El Centro. The project starts at the Imperial Valley Substation. The major impacts that were identified to us when we were here at the scoping meetings were concerns about agricultural land uses, in particular. You can see that the route goes around the edge of agricultural areas. Also about the particular area here where SDG&E's proposed route crosses directly over an operating dairy. And the other concerns in this area relate to the Flat-Tailed Horned Lizard. There is a management area right in the desert on the south end here where there's habitat for the Flat-Tailed Horned Lizard. So those were the primary drivers for looking for alternatives in this area. I'm going to talk a little bit later about what the actual impacts are, but we just wanted to kind of setup what the impacts are by letting you know what those concerns were.

The next one is Anza-Borrego. And, again, this is Figure 3 in your handout, so I don't know how well you can see this from there, but you can also track it. The big issues in Anza-Borrego are, No. 1, obviously it's a park. And if you can see on your map or on this one the areas that have dark green stipples with the dots on here, all of this land is wilderness. The proposed project passes both between wilderness areas and actually would be built on some wilderness lands and require a right-of-way on wilderness lands. That a huge concern to the park. It would require a redesignation of wilderness lands to non-wilderness lands and would also have an affect on people who come to the park for recreation. The existing route follows a right-of-way that has a 69 kV wood pole line in it, but the 500 kV circuit that would be built in here would be on very tall lattice steel structures so much more visible through the park. Other impacts through the park that are the most important ones are really impacts to wildlife and vegetation as far as where everyone of these towers is being constructed and even construction disturbance because there are Big Horned Sheep in the area and that is a major concern to the park as well.

Now, I'm going to skip over the next three impact slides because they go further east of here and we'll talk about them quite a bit — further west of here, sorry, in the next couple of days. And we'll go back to Billie.

MS. BLANCHARD: Thank you. I think we just we talked about this a little bit already, but where we are now in the process is that we've done a first round of scoping. We're now back out for a second round of scoping that's more focused on alternatives that we are preliminary proposing to carry forward and that which we're proposing to eliminate. So we're in some of the scoping and the screening of alternatives right now in this process.

Now, I'll speak just a little bit about the methodology that we used for the alternatives analysis that we're doing. Basically we use the California Environmental Quality Act, CEQA and NEPA criteria for screening alternatives. And basically there are three major criteria that we used. One is about meeting most or all of the project objectives. And we used the three main objectives for our analysis. And one is the maintaining of reliability for the delivery of power to the San Diego area. The other one is access to renewables from Imperial County and from other in and outside of San Diego County. And also in terms of economic benefits, reducing cost of energy in the region.

The second bullet basically is the ability to have an alternative to reduce or avoid significant — identify significant impacts of the proposed project. And identify through our environmental analysis, agency consultations, information that was in the PEA, data requests and scoping comments.

And then the third major criteria, feasibility and that basically goes to whether or not it technically could be built. The regulatory feasibility is usually one of whether it's even possible to get it permitted. And then any legal issues which would prevent it from being permitted or constructed.

The variety of sources of alternatives that are included here in the notice are alternatives that were suggested in scoping comments. And we did receive a number of those from the first round of scoping. We relooked at SDG&E's PEA alternatives. We reconsidered some of the alternatives that SDG&E eliminated. We are looking at alternatives from the proceeding filings that have occurred and then from ISO's alternatives process.

And Susan is going to talk more about these is the following types of alternatives that were considered, we're looking at link and route segment alternatives, substation alternatives, a number of Southwest Powerlink alternatives, project route alternatives, and system alternatives, and in-basis generation and other non-wires alternatives. And these are all identified in the notice that hopefully everyone has by now at this point. And there's a lot more detail about the methodology in there and about where we got the alternatives from and the types of alternatives.

I'll turn it back over to Susan to discuss the alternatives.

MS. LEE: Thanks. If you will look back at Figure 2, and I'll hold this up again. Figure 2 that's in your handout shows the alternatives that we considered in the Imperial Valley area. And there are four of them on here that at this point we have retained for further analysis. Let me point out first one of them, because one of these alternatives is one that we have a question mark in terms of its feasibility. The Western Alternative, which on this is sort of the magenta pink line that goes along the Southwest Powerlink and then follows the westside of the valley instead of staying on the eastside of the valley. It's a route that would pass through, I think it's about ten miles, I'm not sure of the exact distance, within the restricted air space area of the desert range. And this is an area where the Department of Defense, if you live out here I'm sure you know this, they fly very low out there. And they have restrictions that limit anything that sticks up off the ground to a height of 20 feet in some cases and you can't build a 500 kV transmission line that is shorter than 20 feet. So the only way that this alternative can be feasible is if we get an okay from the Department of Defense to bury that requirement. So we're waiting to hear from them as to whether or not that is a possibility. If they are unwavering in that requirement, this Western Alternative is going to have to be eliminated as unfeasible as Billy described. That feasibility is obviously if you can't build it, it's not worth considering in our document.

So in addition to that on the other three routes that are still on the table that we haven't found feasibility problems for but we are looking for any, you know, routes, route improvement offers, if you have suggestions for them. The first one is what's on here as a green line, this is the one called the Flat-Tailed Horned Lizard alternative. And the purpose of this one it would replace the first five miles of this route as it stays around the edge of the agricultural land and off the Flat-Tailed Horned Lizard management area.

The next two alternatives are different ways that would avoid the direct crossing of the dairy, the kind of northwest corner of the agricultural area. And there's both a red line and a green line on here and in more detail there's a blowup of this area basically outside. They follow existing roads and

line in the middle of the dirt roads in the middle of agricultural field and in this case Huff Road, so we would love feedback from you if you have suggestions on the routing of those. But, again, the purpose was to keep the route from bisecting the dairy farm. This area obvious is very challenging because you can't move a route to the west. This is the desert range. You can't go west of here without going really all the way to the west. And that's the challenge that we have in the Imperial Valley link.

The next slide with the Anza-Borrego link, and this is Figure 3 in your package. There are two routes that we have maintained in this area. The first one is an overhead and underground alternative. And what we had originally hoped that it would be possible to develop a route that would be entirely underground through Anza-Borrego. That was our original goal. It would be a 500 kV line up to the San Felipe Substation and then at this point a 500 kV to a 230 kV substation would be built eliminating the need for the Central East Substation. Ideally the line would be underground following the proposed route and then within Highway 78 all the way down to where Highway 78 meets Highway S-2. The problem we found with this is that there is a major fault crossing, the earthquake valley fault, just east of the crossing of Highway S-2. And an underground transmission line can't cross an active fault. So we had to add an overhead segment in the far western end of this alternative. That would be within wilderness and we're hoping to talk to the park about kind of fine tuning that.

The other alternatives being retained through the park area is one in which SDG&E, unlike their current proposal, which I think Lynda mentioned, where they would want to expand their right-of-way from 100 feet to 150 feet where they would retain this project entirely within the hundred foot right-of-way. What that would do is eliminate the direct impacts to wilderness. It would mean that the project wasn't expanded into wilderness and it wouldn't be moving towers into wilderness. It does create some other impacts in terms of slightly a greater number of towers and towers that would probably be taller and we're evaluating the details on that at this point.

Again, I'm not going to run through the alternatives that go all the way west from here. We will skip through the Central Coastal Link, but I will talk a little bit about the — both the sub — well, I could talk a little about the substation and then the bigger picture alternatives.

The Central East Substation, which I mentioned to you, is at the very north end of the project area. There are a couple of alternatives to that substation that are proposed, because the substation itself, No. 1, has a huge amount of grading that would be associated with it. It's not a level area. And it's located in line with a trace of the Earthquake Valley Fault, the same one that is crossed by the underground alternative we looked at in the park. So we were looking for an alternative that wouldn't be on the fault and that would require less grading. What's called the Mataguay Substation alternative here is one that would be on Vista Irrigation District land north and west of the proposed substation. It would be more visible, but would eliminate some of the other more dramatic grading sorts of impacts. The Central South Substation is one that is recommended for retention for EIS analysis because it would be required for use with some of the other alternatives and I'll talk about those now.

The Southwest Powerlink alternatives, if you look at Figure 8 in your package, one of the goals or really tasks that was given to us when we started this project was to find alternatives that did not go through Anza-Borrego Desert State Park. And if you look at Figure 8 in here and the light green area you can see that Anza-Borrego goes all the way down to within a couple of miles of the Mexican Border. So the only way to get around Anza-Borrego, and on top of that all of the, again, the blue dot area is wilderness, so the only way to get around Anza-Borrego is to follow the existing 500 kV line, which is called the Southwest Powerlink, otherwise known as the SWPL. So we're calling these SWPL

alternatives. We've looked at several alternatives that follow different links of the Southwest Powerlink and then diverge coming back to the north and northwest in order to get back into the northwest part of San Diego county.

So there are four alternatives we've recommended for retention here. Two of them would divert from the Southwest Powerlink in an area about five miles southeast of the community of Boulevard. And the other two would go about 15 miles further co-located along the Southwest Powerlink to an area just south of Campo. And then both of them, one would follow essentially the I8 corridor. That's the Interstate 8 Alternative. One that's called BCD on here would go north into BLM land and primarily through national forest land. The Route D alternative is also primarily national forest land. And the last one called the West of Forest Alternative is one that was designed to try and avoid protected areas like national forest and parks which means that it's primarily on private land. So we have those four alternatives that are on the table to the south.

The last two categories that we have also are sort of big picture categories. One is called Transmission System Alternatives that looks at different transmission lines that could serve the same general objectives that SDG&E is looking for and that the CPUC and BLM have adopted in terms of renewables, reliability and reduced costs.

The one system alternative that we've at this point decided to retain is the LEAPS Project. That stands for the Lake Elsinore Advanced Pump Storage Project. It's a project that's being proposed by a private developer in the Lake Elsinore area, but involves a 500 kV transmission line that essentially would connect the Southern California Edison transmission system with the San Diego Gas & Electric system, so it would provide SDG&E with a good reliability benefit and also allow them to import renewables using SDG&E's corridors.

The other two Transmission System Alternatives that we're proposing to retain, one is a very small alternative actually. Mexico Light was suggested by scoping comments. This is an alternative that would only be used in combination with some other ones, because it would be a relatively simple transmission upgrade actually in Mexico but adjacent to the power plants that are owned one of them by SDG&E or Sempra, that would increase reliability and make some other alternatives more viable because of the reliability increase.

And the other one, the Path 44 Upgrade is essentially one that would be on Southern Cal Edison's territory, Orange County, that would be a transmission upgrade again allowing SDG&E to increase its import capability of power into the SDG&E area.

I'm not really talking much about the alternatives that we're eliminating. There's a very large number. I think Billie mentioned that we looked at almost 100 alternatives, so we have at this point retained about 30, but there are 70 that we've eliminated, so I'm going over those pretty quickly.

The last category of alternatives that we are going to look at in the EIR/EIS is what we call Non-Wires Alternatives and these are alternatives that don't require transmission, so this includes renewable power if it's accessible by existing generation. It also includes conventional generation like a gas fired power plant. For example, the South Bay Power Plant which, as you probably know, is being considered for rebuilt at in the point. And also we've added to that a trading option basically which is renewable energy certificates which is a way that SDG&E could get credit for renewable power without actually building a transmission line to get it directly.

So the alternatives that are listed here, the in-area renewable generation, they're resource bundles one and two, are alternatives that would build on each other. The first one is only renewables. The second one is renewables plus a generator South Bay. The third one is renewables plus the generation plus the renewable energy certificates.

The last bullet on here is a concept that we're considering where in-area generation might also require some transmission upgrades but not as major as the Sunrise Powerlink, so we're looking at whether there is an option where a transmission upgrade plus in-basin generation could replace Sunrise.

So that's the long list of alternatives that we've been looking at and where we are at at this point.

PUBLIC COMMENT

MR. MICHAELSON: Thank you for taking us through that. Obviously it would take an hour or more to go through every alternative. I appreciate you focusing on the ones that are of probably greatest interest in this area.

Okay, we're very close to that point in time where we get to hear from you. I want to reiterate that the most useful comments that you can make during the second round relate not to the original proposed action, which we received many, many comments on the first round, but comments on the alternatives that have been looked at since then, have been added and/or those that have been eliminated. It would be helpful to know whether you agree or disagree with the alternatives proposed for retention or those that were eliminated. Maybe there were some that were eliminated that you think maybe should be on the table or be analyzed or if you have even further modifications to those alternatives or new alternatives as yet unidentified to offer up, we would be very interested in those comments as well.

As you probably know this is an opportunity for oral comments; however, written comments is another perfectly good way to provide your comments. It's a well-known fact that Americans are afraid of public speaking. Most of them would rather have root canal surgery. In survey after survey it shows that. So if you are among those that don't like public speaking, you should know that written comments are given the same weight and same consideration as oral comments. And you probably saw before you came in, if you want to save yourself the postage, you can fill out a written comment sheet and hand it in before you leave or you can mail them in. The address is available. I put it up here on the slide who you would mail those to or fax those to. All right.

And next one, the last one. There is a web site. Again, that's available on the handouts. It's a good way to stay in touch on what's happening throughout the process. For those of you who may not have internet access, there are also 29 libraries and offices that have the project information in them again throughout the area that's being analyzed. You can also e-mail if you have that. Or call the Project Information Line in order to ask for more information. So the California Public Utilities Commission, Bureau of Land Management have tried to take make it as easy and open and transparent as they possibly can for you to participate in this process.

I have I believe seven speaker sign-up slips that have been handed to me so far. If you want to speak, it's not too late, you can still give Daniel, he's standing over there, he can hand them out to you if you want to still speak or if you get inspired. We're going to use the same format that we used at the

first round, which is I'm going to call ahead several names so you can be prepared for when it will be your turn. Both of these mikes work up at the two podiums so you can pretty much take your pick.

I should have mentioned earlier that seated to my left is a court reporter. She's here making a verbatim transcript of everything that's said and that's why it's important that you come up to the mike. If you speak there, she's sure to hear you. And also if you could avoid speaking at too rapid a pace. She can only type just too fast. She's pretty fast, but if you really get on a roll, she might get behind.

Everyone will have three minutes to speak and I have a very sophisticated way of indicating those times. When you have one minute left, I'll put up my index finger like this indicating that you have one minute to wrap up. And if you're at three minutes, I'll put up my closed hand like this indicating that it's time for you to finish.

With that, the speakers that I have in order are, and I apologize in advance if I mispronounce anyone's name, Susan Lamoureux, Charles Williams, Richard Van Leeuwen, Nicole Rothfleisch and Denis Trafecanty are our first six speakers, five. Ms. Lamoureux, you're first.

MS. LAMOUREUX: My name is Sue Lamoureux. I am with RGP Planning and Development Services and I represent a property owner affected by the project, Castle Media. Their property is located in the N-2 to N-6 segment. It is just east of the Dunaway Street Road on both sides of Interstate 8 and it is bordered by the BLM lands on the west and the south and Main Street — not Main Street, the main canal on the east.

Our comments today are from both your general alternatives and some project specifics. We've been focusing on the, you know, the project at the property site. But from a general perspective, and I realize and appreciate the complexity of what you're dealing with of a project of this nature, is the alternatives that to the best of their ability use existing, you know, right-of-ways, existing things to avoid new impacts, you know, in the regional area, but I understand how complex that is. From the alternatives that are affecting this property, the project description describes the N-2 to N-6 link as traveling north through open desert land managed by BLM until crossing the I-5. And that this direction is following section boundaries and property lines. And that's certainly from a broad perspective; however, that particular alternative bisects the property owner's property which is approximately 1200 acres.

In discussing the alternatives with Aspen earlier, we understand that there are opportunities to fine tune this and it may be more appropriate to, you know, suggest and we will be submitting written correspondence to move it to either the western boundary or to the eastern boundary. And they promised to send us the detailed maps that are out front and we look forward to continuing that communication.

Thank you.

MR. MICHAELSON: Thank you very much. Charles Williams.

Mr. WILLIAMS: Good morning.

MR. MICHAELSON: Good morning.

MR. WILLIAMS: I have some questions. I live in Lakeside now, but I used to work for the IID and I was chief electrical engineer for 18 years. And I speak on behalf of the alternative to the west

of the area here, because — and I know San Diego would like it because it's blacktop roads, easy access for construction and all of that, certainly facilitate the construction work along SR78. But I was here on Thursday and they were explaining the dream path and the 500 kV line and the Sunrise Link and that's when I began to realize that the LADWP was involved with the project down there near San Felipe as planned. And if you start running two more 230 kV lines out there, which is what I saw in the drawings that they gave me to look at, you're going to have a 500 kV and a couple of 230 kV's going out to San Felipe. I don't know if — surely you must have been aware of that. You guys talk to each other, don't you, SCE and San Diego and — there's another outfit Citizens Energy that's talking about these Eastern people coming out here and doing something with the IID. And I get here this morning and I take a glance at your drawings which is this LEAPS which seems to be following your existing 500 kV line, which is personally fine by me, because it also goes outside the area along what we call the East highland Canal where the 230 kV lines we have now. Also take the geothermal land.

But I would like to read what I saw in your own Environmental Impact Statement. It said it would be very close to two federal wilderness areas and closer to big horned sheep critic habitat, plus the Flat-Tailed Horned Lizard is higher quality along this route than the one towards the Salton Sea. You do have a, you know, good argument with DOD. And it's my understanding that they — the people at the IID are still trying to fight that battle with DOD. I hope they succeed. I think — it really depends upon how badly they need that. I'm a veteran myself. I don't want to fool with the reduction of adequate training for anybody, but unless they really need it, I think they ought to surrender it because it's right close anyhow to that area.

The other thing I was wondering about, you have there's two generators, Otay Mesa and another one at Palomar, something or rather, are these units online now, they're 550 and 600 megawatts?

MS. LEE: One is and one isn't. Palomar is. Otay is not built yet at all.

MR. WILLIAMS: And in Mexico you got the one down there that Sempra Energy owns, that's full capacity coming into the 230 kV, the Imperial Valley substation?

MR. MICHAELSON: If I can mention, this is not really not a Q and A back and forth, so if you could just give us your comments.

MR. WILLIAMS: Okay. I just know that there's a thousand megawatts in the unit down there, too. I was wondering how that might play into what you need?

I know that you were selling this on the basis of renewable energy. By 2010 you're supposed to have 20 percent; is that correct? I'll say that is correct from what I'm reading.

MR. MICHAELSON: You know what, if we get through the first set of speakers quickly, we'll come back for a second helping.

MR. WILLIAMS: It's quite all right. But there's a lot of stuff on the internet. I'm over?

MR. MICHAELSON: Yeah, you're over.

Two quick things — actually our next speaker will be Richard Van Leeuwen — and that is there was a reference made in the EIS. As far as I know you must have been looking at different a document

because the EIS has not been prepared yet. That's what we're doing, we're still in the scoping stage to prepare the EIR/EIS.

And Mr. Williams probably didn't mean this when he said you guys meaning SDG&E. And I just want to mention again, SDG&E is not seated at this table. This is California Public Utilities and Bureau of Land Management. So when you're referring to the proposers that would be SDG&E.

Mr. Van Leeuwen.

MR. VAN LEEUWEN: I'll read off my comments.

MR. MICHAELSON: Just state your name.

MR. VAN LEEUWEN: Richard Van Leeuwen. Thank you for allowing me to speak at this hearing. Thank you for the three new alternate routes. The two routes that are labeled Bull Frog Farms Alternatives, they do move it farther from the dairy, but it's not far enough. The cattle would still be affected by the electrical field coming from these power lines. Actually both routes move them closer to — I'm sorry, we feel that these need to be five miles away from our cows. Both alternative routes by Bull Frog Farms move them closer to our calf facility. It's within a quarter mile of our day-old baby calves and our breeding heifers. And day-old calves are affected obviously very strongly because they're young and weak and then the breeding is also a critical time for the cow. This concerns us because of general health of the animals, it's location. It also concerns us that this is overlooked, the calf ranch, as also Bull Frog Farms is overlooked by SDG&E when they originally looked. So now this alternative is there, but there is a calf ranch there. Mark McLane who operates the calf ranch has just relocated from the Chino area to run this calf ranch also with hopes that there would be more dairies coming from this western region and so he's moved his family and has set foot in here. And now this would detour him from expanding his business.

This also moves it closer to Bolley [phonetic] Road, if I'm pronouncing it right. There's several homes along that street. There's children and stuff there, so I'm sure that the people on that street are concerned.

Our personal recommendation after looking at the maps and looking at everything is that western route, I think you call it the Desert Western Route Alternative or the I8 route, which you call the Southwest Link, both of those would be great alternatives for the dairy industry and the farmers in our area because it moves both of them far away from us. Both of these routes would be praised by the farming industry and the dairy industry in the Imperial Valley, not to mention the Imperial Irrigation District.

Our dairy facility is still in expansion mode with two of my brothers wanting to build dairies in the area but skeptical until this is resolved for two of the alternatives go right through property that we currently own and is earmarked for construction of these dairies.

Just on a closing note, after listening to you guys this morning and then looking at the different alternatives, I really do like the Non-Wires Alternatives alternative, you can swap credits and things like that which seems to be an easier conclusion than lots of power lines running across the country side.

Thank you.

MR. MICHAELSON: Thank you. Nicole Rothfleisch.

MS. ROTHFLEISCH: Good afternoon. Nicole Rothfleisch. I'm from the County Farm Bureau. I'm not going to specifically address each of the alternatives, although I would support what Mr. Van Leeuwen just said. And I would like to reiterate my past position that we would encourage you to seek alternative routes that avoid agricultural areas, whether it's the dairy, whether it's the cow/calf operation, whether it's just agricultural fields as well as areas where there's houses. And it seems as though you have a few potentially viable alternatives that would accomplish those purposes and so I would encourage you to continue looking into those and do what you can to avoid the agriculture.

Thank you.

MR. MICHAELSON: Thank you. All right, next speakers I have cards for are Denis Trafecanty. I think it's Mary Helen McCombs and Benjamin Kwon.

MR. TRAFECANTY: Hello, Denis Trafecanty, Santa Ysabel. Mr. Van Leeuwen, you got it right, the critical page, and it has nothing to do with these ladies and gentlemen here, they're just doing their jobs and the CPUC is doing their job. But Page 20 talks about Non-Wires Alternatives. I'm talking to you even though I have to look at this mike. The Non-Wire Alternatives, let's talk about it for a minute. Who needs this energy? San Diego needs this energy. So should we be going through El Centro? I'm sure the Chamber of Commerce doesn't like this either and ruining a future thriving dairy business or a cattle ranching business. Should we be permitting dirty power from Mexico to come in and make your children sick and yourselves sick from all the asthma you have out here? I don't know the statistics, but it's pretty bad. And if this line goes through, you're going to get Mexico power on it. In-basin generation is a very key thing and this group of people, Aspen Consulting, have put a lot of things in this on Page 22 about other alternatives and they're talking about bundling. Bundling means take energy efficiency. Demand response is when is a large company in San Diego will quit using power for a couple of hours during the peak times in the summer. Read those very carefully. That's what's key here. We need to have the power being generated in San Diego and not run across 150 miles through our state park. Doesn't that belong to our children and our children's children and ourselves. We're going to for the first time in the history of United States de-designate state parks. I don't believe that's where we're going.

I don't have much time to talk to you, but I've been to Boulevard, Jamul, Descanso, Santa Ysabel where I live, Mesa Grande, Warner Springs. The glider pilots up there are terrified by the fact, hey, if I ever have to land on an emergency basis, guess what's going to happen, I'm going to be worried about those power lines. Ranchita they all said we are opposed to the Sunrise Powerlink. They didn't say we are opposed to it running through our backyard.

So I'm here from Santa Ysabel. We started up a fund that's at the San Diego Foundation, very legitimate group. We've already accumulated something close to \$600,000. I'd like you all to take a copy of this before I leave today. It's a flier on this fund. My name and e-mail address are on it. I would like you to correspond with me so I could correspond back with you and get you on a landowner e-mail list. Doesn't matter where you're located, it just matters that you're against this power line, because it can be built in San Diego and they can have their energy.

I work in San Diego. I'm a part owner of a business in Poway and I'm not voting for the Sunrise Powerlink.

Thank you very much and I hope to speak a little bit more later on.

MR. MICHAELSON: Thank you. Mary Helen McCombs.

MS. McCOMBS: I'm Mary Helen McCombs. I'm here as a concerned citizen of Imperial Valley. When the two power plants were built south of the line, the Mexican border, consideration was not given particularly to the impact on our air quality. And when it went to federal government they said, well, there's nothing they can do, it's been built in Mexico. It appears that San Diego Gas & Electric would like to get more power and possibly generate it out of San Diego. Considering that they're also — there is some news footage that the El Paso Gas & Electric line that comes, brings the gas to those two power plants is in consideration of upgrading and expansion. So one is that are we dealing with a possibility that additional plants will be built in Mexico? If you look out to the west of our valley, we've now got brown air. And possibly a conclusion can be drawn that something was added there recently and that turned our valley into — we don't — our air doesn't change frequently. We're a bowl and, therefore, consideration needs to be given as to what is the purpose of this line. If one is the expansion of these plants, that's one thing. Nothing has been said. SDG&E has no application apparently for anything at this point. All they have an application for is this line.

There are power plants in the southern part of San Diego that apparently have been proposed for expansion and we wouldn't need any wires at all. And possibly that needs to be looked into much more thoroughly than it has been and maybe there can be some creative alternatives for this renewable energy issue that San Diego Gas & Electric has to have in order to meet their power needs.

I would hope that you would consider very definitely the Non-Wires issues and maintaining their power in San Diego. And that way we have no impact on the Anza-Borrego Desert Park and no further impact here.

Thank you.

MR. MICHAELSON: Benjamin Kwon.

MR. KWON: Good afternoon, members. My name is Benjamin H. Kwon. I am the — actually the corporate person for Castle Eurasia and Zen Media, which owns 1214 acres since 1992. And then at that time I did work with the BLM as well as USDA and I have some kind of a commitment for the development, as well as I have been working with — as you know, Imperial County needed new image of rising Imperial County along the freeway system, so I decided to negotiate with a major home building corporation and numerous companies. They express that — they have expressed substantial interest. So I have been working on that.

And, as you know, the Imperial County, of course, wanted to help San Diego County as a neighbor, but also Imperial County has its own voice here. Imperial need some sort of a job increase, as well as a new quality environmental project along the freeway, proximity, accessibility and visibility. It's kind of our next generation's dream here in Imperial County.

I am living in Riverside, but I love it here in Imperial County. And I have been dedicated to this project for more than 20 some years. And I believe the Imperial County cannot stay under the name of a colonization for a certain county for their convenience, so we have to seriously consider this point.

Second one is, as you see, this created a tremendous tax revenue increase. And I want to suggest alternative-wise eventually solar energy. Renewable energy company, we end up with the BLM leasing. And actually my approach is on the basis of a beneficiary bearing the cost and the responsibility approach. In other words, BLM will create a substantial revenue for the BLM, so that the BLM declassified a lot of land available along the Dunaway — actually west side of I-8, millions of acres of vital land, so they have plenty of room to make the alternative route without the hurting. A tremendous project which has been working for a long, long time — okay, can I get one minute, more extension?

MR. MICHAELSON: Since there aren't any more speakers lined up, we'll go ahead. And do you have written comments as well that you're going to be able to give us? Anything you can't fit in, obviously you should put in writing, but you can have another minute.

MR. KWON: Thank you, Chairman. And I would like to propose a route to BLM, specifically Lynda Kastoll, the project manager of BLM here in San Diego. She even ask how much money is going to invest? Seventy-five million and infrastructure wise they are more than happy to invest more. This kind of project Lynda knows there's no consideration. I do not know BLM has this kind of situation. And I would like to ask common sense. And on the basis of a rule of law and rules are supposed to [unintelligible]. Whatever they have, I am not sure, but I am going to challenge. I already retained counsel on this issue. This going to be — I do not want to hurt anybody. I believe that we need some sort of a system, but the other side — the other side of the story it has to be on the basis of fairness. That means whoever has — a beneficiary is supposed to bear the cost and the responsibility as well as in the future next time and time also future generation. We have to seriously think about a cost and maintenance cost in the future. It's best for the San Diego Electric Company, also the Sempra Energy because it's not just simply one-time deal. It's going to be generated cost wise and maintenance wise for a long time.

MR. MICHAELSON: Okay.

MR. KWON: Let me just finish. Shortcut line approach or straight line approach that is a logical approach on the basis of fairness.

MR. MICHAELSON: Thank you, Mr. Kwon.

MR. KWON: Thank you.

MR. MICHAELSON: Is there anybody who didn't turn in a speaker card that wanted to speak today? You can just hand it in afterwards.

MR. POIRIEZ: Thank you. Just real quick. Brad Poiriez, Imperial County Air Pollution. And I just wanted to make a brief comment to your attachment one of your scoping, under “Air Quality,” there's a bullet point that states, “Potential air quality impacts from power plants providing imported power.” I think that needs to be specific. Imported power could be imported from another state or it could be imported from Mexico and we would like both of those addressed in the EIR.

MR. MICHAELSON: Thank you. Anyone else that didn't have a chance to speak that wants to? Okay. I would like to go back to anyone who wasn't able to finish their remarks who would like to have some additional time for another three minutes for those individuals. And, again, I do appreciate

the fact that the vast majority of you have spoken to the alternatives, which is the purpose of this, as opposed to the proposed project, which again, we have done a full amount of scoping on today.

So, sir, I saw your hand. Give us your name one more time.

MR. WILLIAMS: Charles Williams. I used to work for the IID. I looked at the alternative and got a rough idea of the length of it. And over in San Diego you got a place called the San Diego Country Estates and you plan to go underground there with 230 kV for a distance of four and a half miles and the cost of that will be seven to ten times an overhead line. Now, you take that 10 times four and a half, you get 45 miles, you can build that alternative almost for that cost. And I would urge you on that basis also to use the alternative path. You've got to have some kind of idea of what you can do and what you can't do. And I think it should be done. I think it should be an alternative path. If you can get DOD, of course, to agree, then do that.

The other thing, the whole thing has been really emphasized with renewable energy and solar heating energy. That's just a peaking plant. When the sun goes down, it's all over. And there's a lot of experimentation in that. The national laboratory has only checked a 10kW and a 25kW generator on those things. The dishes are 37 feet wide. They're going to have 25kW and they're going to have 12,000 dishes at 25kW over a three-square mile area to succeed in that to get the first of the 300 megawatts delivered to Imperial Valley Substation. And I think that since it's just a peaking plant, that's something else that's going to take up three-square miles. And I haven't got anybody in San Diego to tell me who is going to write that Environmental Impact Report for tearing up that land. It's south of the Interstate 8, I think, but I think there has to be some common sense.

I'm not a NIMBY, but people in San Diego Country Estates can pay for that. When they get their bill, I would like to see a little asterisk down at the bottom of the page that says NIMBY rate. And they can pay for it and the rest of the people in San Diego won't have to pay for it. And I won't, I live in Lakeside.

Thank you.

MR. MICHAELSON: Thank you. Denis, do you have some comments for us on the alternatives?

MR. TRAFECANTY: Yeah, I just want — NIMBY is affectionately known as “not in my backyard.” But another way it could be understood is “next it might be you.”

I just want to finish about what we're doing to try to defeat the investor-owned utilities proposed Sunrise Power Link. The way we're doing it is we're grouping together not only landowners like myself, but we're grouping environmental groups, which might offend some of you back behind me, but there are \$50 attorneys versus maybe \$300 attorneys. And in addition, so there's several of us involved and there are also communities in Rancho Peñasquitos and Carmel Valley that are also part of it. You might think of it in terms of, hey, we're going to the dance together but we don't have to go home together. We're all against this power line and we want it beaten. Even Mr. Peavy who I believe is the president of CPUC said recently that you don't need the green path power line that's going up around Salton Sea up to L.A. as well as this proposed Sunrise Powerlink. The only deficit in megabytes of power for San Diego at 2010 is 278, I believe I saw that recently. And then 2016 it's 574 megabytes. Also the 20/30 energy working group for San Diego came out with a plan in 2003 and their first

recommendation was in-basis generation in addition to maximizing efficiency for energy, maximizing demand response, et cetera, et cetera.

So I plead with you all that our landowners concerned about this line to please grab one of these. My e-mail address is on it and I'll get you on a list. We do have a plan that's starting right now where we think we're going to get up to \$100,000 in donations from large landowners and they're going to match dollar for dollar. They're going to use that money to match dollar for dollar any donations that we might get from yourselves. So we're far on our way and we're organized.

Thank you very much.

MR. MICHAELSON: Thank you. Anyone else who hasn't had a chance to speak who would like to come up a second time? You already got your two times. I gave you your full minutes. I want to see if anyone — if you would wait. Is there anyone else who hasn't had a chance to either speak first or speak for a second time? Yes, sir, would you come forward. I'll have you fill out a speaker card.

MR. WESTMORELAND: Doug Westmoreland, local farmer. I'm a little hesitant to speak. I spoke concerning the closeness of the 500 kV to the agricultural areas of the valley as it was proposed and it looks like the alternates are getting even closer. I speak to the Bull Frog area alternates and the Flat-Tailed Horned Lizard alternate and, you know, my concern originally was keeping it away from ag areas. And the other concern is that we're looking to develop the westside of the valley for four dairies and the two aren't compatible. And, again, I was a little hesitant to speak because I assume it made things worse.

MR. MICHAELSON: We appreciate you coming down and speaking. Is there anyone else who hasn't spoken once or twice? We have another meeting this evening so, Mr. Kwon, you can have a couple of more minutes and then we'll wrap it up.

MR. KWON: Benjamin H. Kwon, Castle Eurasia and Zen Media Corporation. I am not here to blame anybody. It is a necessary evil that we have to make a deal with it. I just wanted to make sure that BLM has a lot of benefit. As I mentioned, renewable energy and solar energy. And, if so, we will end up with BLM and they will get the benefit. So for the returning of their benefit to this community and there is a Dunaway Road and on the west side — north west side of Dunaway and along the Interstate 8, BLM has plenty of land so they can accommodate what Sempra Energy or San Diego Gas Company need. And so that minimize the impact long time identified by its Congressman — I met Congressman Robert Finley as well as my Congressman. I'm in Riverside, of course, and Congressman Calvert spoke of this project that he called to BLM and discuss this issue. It's supposed to help and promote a good picture and future of the Imperial County.

So I just would like to ask your consideration for this alternative is so critical. And I do not want fighting in terms of legal fighting. We are talking about some kind of physical damage and incidental damage, foreseeable damage. And I do not want to get into this kind of collision, but before this project even started, my project has been working for a long, long time. And in numerous IID they support my project and it is a good project, new era of Imperial County. And I would like to dedicate and demonstrate the best project, not to second to the county or San Diego. That kind of a brand name of new Imperial County image is supposed to be demonstrated. I strongly believe in it. I have been dedicated for this purpose for than 20 some years and I would like ask you members serious consideration of this issue.

MR. MICHAELSON: Okay. As I mentioned, this is one of a series of meetings we're holding all way through Friday, including all the same locations, plus a few others. We're going to be in Boulevard and Alpine. Those are new because of the southern routes. We're also going to be up in Temecula because of ones that are going further north. Going back to Rancho Peñasquitos and Wynola, so I'm sure — I sure Denis will be there. I think you came to all of them last time, didn't you, Denis?

MR. TRAFECANTY: I missed a couple of them.

MR. MICHAELSON: With that, we will adjourn. Thank you very much.

[Whereupon the meeting was adjourned at 2:04 p.m.]