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April 10, 2008

CPUC/BLM
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VIA ELECTRONIC AND REGULAR MAIL

SUBJECT: CITY OF SANTEE'S WRITTEN COMMENTS ON DRAFT EIR/EIS FOR THE SUNRISE POWERLINK TRANSMISSION PROJECT (SCH NO. 2006091071; DOI CONTROL NO. DES-07-58).

Dear Lead Agencies:

The City of Santee ("Santee") submits these written comments on the Draft Environmental Impact Report/Environmental Impact Statement ("DEIR/DEIS") prepared by the California Public Utilities Commission ("PUC") and the U.S. Department of Interior, Bureau of Land Management ("BLM") for San Diego Gas & Electric Company's ("Applicant") Sunrise Powerlink Transmission Project ("Project"). This letter refers to the PUC and the BLM collectively as the "Lead Agencies."

I. INTRODUCTION AND SUMMARY OF SANTEE'S POSITION

Santee has not taken a formal position on the Project. In addition, Santee does not categorically oppose a local area reliability plan, including, as appropriate, new in-area generation that emphasizes "green" power and is sited in close coordination with local agencies. However, Santee is very concerned about the DEIR/DEIS because it includes ENPEX Corporation's proposed "San Diego Community Power Project" (the "ENPEX Project") in the "New In-Area All-Source Generation Alternative" (the "Alternative"). The general components of the Alternative and the general location of the ENPEX Project in relation to Santee are depicted in Figure E.6.1-1 of the DEIR/DEIS. This comment letter focuses exclusively on the Alternative in general and the ENPEX Project in particular.

Santee believes that the Lead Agencies' decision to include the ENPEX Project in the Alternative is both legally and factually deficient. Santee contends that the ENPEX Project must be removed from the Alternative. Santee objects to the inclusion of the ENPEX Project in the Alternative because: (1) the ENPEX Project is not feasible and therefore is not a legally viable component of the Alternative; (2) the ENPEX Project

conflicts with Santee's long-standing General Plan and approved projects; and (3) the ENPEX Project would block a key wildlife mitigation corridor approved by federal, state and local agencies, as well as a regionally significant recreational trail.

Even if the inclusion of the ENPEX Project were appropriate (which it is not), the DEIR/DEIS' analysis of the environmental impacts created by the ENPEX Project, its analysis of feasible mitigation measures and its conclusions regarding the significance of impacts is also factually and legally defective. The errors in the DEIR/DEIS' analysis are so significant that a complete revision of the discussion and a recirculation of the document is required. The various bases of Santee's objections are set forth in detail below.

II. THE ENPEX PROJECT IS NOT FEASIBLE

The ENPEX Project is a conceptual proposal to construct a power plant on an unknown, sixty (60) acre portion of Marine Corps Air Station Miramar ("MCAS Miramar"). This conceptual proposal has its genesis in the 2002 Bob Stump National Defense Authorization Act for FY 2003 (Section 2831 of Public Law 107-314) in which the Secretary of the Navy was authorized, subject to the Secretary's discretion, to convey sixty (60) acres of land somewhere on MCAS Miramar to ENPEX Corporation for the possible construction of a power plant. This "ear mark" bill was championed by former Member of Congress Randy "Duke" Cunningham. The DEIR/DEIS should disclose this history and include a meaningful discussion of the current status of the project.

A meaningful discussion of the current status of the ENPEX Project will demonstrate that the project cannot feasibly be constructed within the time frames contemplated by the DEIR/DEIS, if it can ever be constructed at all. Other than some very preliminary studies performed by ENPEX, the ENPEX project remains a conceptual proposal. On May 5, 2004, the Navy and ENPEX signed a Memorandum of Agreement ("MOA") related to the preparation of an initial feasibility and siting study by ENPEX to determine whether sixty (60) acres of land existed on MCAS Miramar where a plant could potentially be located that would not interfere with the operations at MCAS Miramar. Pursuant to the MOA, ENPEX retained URS to prepare a siting and feasibility study.¹

No other significant work has been done on this conceptual project. ENPEX has not entered into a new MOA with the Navy to move forward. ENPEX has not filed an Application for Certification with the California Energy Commission. To Santee's knowledge, ENPEX has not entered into any power purchase agreements or other agreements regarding the future sale of power from the site. The Navy has not consulted with the U.S. Fish & Wildlife Service regarding the potential impacts the

¹ It appears as if the DEIR/DEIS relied heavily on the URS study for its analysis. If this is true, it is not appropriate. The URS study was not a rigorous CEQA/NEPA analysis. It was a very preliminary siting study. The Lead Agencies must independently analyze the project.

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conceptual project would have on species protected by the Endangered Species Act. The Navy has not approved the conveyance to ENPEX.

In short, the ENPEX Project is only a conceptual plan at this time, and ENPEX has no control over the property on which the conceptual project is proposed to be constructed. The DEIR/DEIS must disclose these facts and reanalyze the feasibility of the project in light of them.

Specifically, the DEIR/DEIS must address whether the ENPEX Project may feasibly be constructed by the 2010 date identified in the DEIR/DEIS. There are many reasons why the project may never be constructed, but, at a minimum, the facts demonstrate that the project cannot be constructed by 2010.

First, it is not feasible that the ENPEX Project, as described in the DEIR/DEIS, will ever be constructed, given the project's inconsistencies with existing federal, state and local plans and policies. The project not only conflicts with Santee's long-standing General Plan but also conflicts with an approved wildlife corridor and recreational trail. These issues are discussed in detail in separate sections of this comment letter.

Second, even if one were to assume that these fundamental inconsistencies with approved federal, state and local plans did not render the ENPEX Project entirely infeasible, it is infeasible for the project to be constructed by 2010. No Application for Certification has been filed with the California Energy Commission for the project. It can often take over one year from the date of application to the California Energy Commission for a project to be deemed "data adequate." After a project is deemed to be "data adequate", action on the application can take as much as another year. Therefore, to even get to a formal decision by the California Energy Commission will likely take longer than 2010. The DEIR/DEIS must address these issues.

Including the ENPEX Project in an alternative that is to be "on line" by 2010 is fundamentally inconsistent with the California Independent System Operator's ("CAISO") grid planning policies. In general, CAISO's grid planning policies divide projects into five (5) different levels of generation development, with Level 1 (under construction) as the most certain and Level 5 (press release only) as the least certain. Even with Level 1 projects, CAISO uses a five (5) year planning horizon. For its ten (10) year planning horizon, CAISO includes only Level 1 and Level 2 (regulatory approval received) projects. At best, the ENPEX Project is a Level 5 (press release) project. Based upon its policies, CAISO would not consider the ENPEX Project as being "on line" within the next ten (10) years. For the DEIR/DEIS to consider the project as being feasible within two (2) years is flatly inconsistent with CAISO's policies.

Similarly, the DEIR/DEIS' feasibility analysis is inconsistent with the PUC's own policies. In its recent long-term procurement decision, the PUC found that "[s]even years is a reasonable time to develop [, permit and construct] new generation to avoid 'just-in-time'

procurement.” (Decision 07-12-052, Finding of Fact 40.) The DEIR/DEIS must conform to the PUC’s own findings, and the ENPEX Project should be deleted from the analysis in the Alternative.

Even putting aside the long process with the California Energy Commission and the policies of CAISO and the PUC, the DEIR/DEIS itself demonstrates that it is not feasible for the ENPEX Project to be constructed by 2010. The DEIR/DEIS assumes a two-year construction period for the ENPEX Project. Since construction has not commenced at the site, there is no way that the ENPEX Project will be built by 2010. A two (2) year construction period is overly optimistic. Santee is informed that the lead-time for filing orders for power plant equipment such as turbine-gen set and generation set-up transformers is approximately eighteen (18) to twenty (20) months. Santee is further informed that actual construction, after delivery of long lead-time items, is more often three (3) years rather than two (2) years. Therefore, a more reasonable, post-regulatory approval time estimate for construction is four (4) or five (5) years. The DEIR/DEIS should analyze these issues.

In addition to the infeasibility of construction by 2010 from a regulatory or a construction perspective, it is not feasible that ENPEX will complete its work with the Navy prior to 2010. In the six (6) years since the federal legislation giving the Navy the discretion to convey sixty (60) acres of property somewhere on MCAS Miramar, all ENPEX has done is one siting and feasibility study. In order to complete the process with the Navy, a significant amount of additional work is needed, including, without limitation, a full study under CEQA and NEPA and a Section 7 consultation with the U.S. Fish & Wildlife Service under the Endangered Species Act. These studies alone will likely take more than two (2) years to prepare.

Despite its “feasibility” conclusions, the DEIR/DEIS demonstrates the conceptual nature of the ENPEX Project. In fact, the DEIR/DEIS actually uses two different locations for the ENPEX Project. On page E.6-12 of the DEIR/DEIS, the document states that Figure E.6.1-3 illustrates the potential locations of the project and that the “EIR/EIS defines the alternative component to be 60 acres at Site 1D.” However, on page E.6-48 of the DEIR/DEIS, the project is described as being “located on the eastern boundary of the MCAS Miramar at Site 1B/1C.” The use of different sites for the project location illustrates the lack of accuracy in the DEIR/DEIS regarding the ENPEX Project as well as the project’s conceptual nature

For all these reasons, it is not feasible that the ENPEX Project as described in the DEIR/DEIS will be constructed by 2010. Because the ENPEX Project cannot feasibly be constructed by 2010, it is not a viable alternative under CEQA and NEPA.

III. THE ENPEX PROJECT CONFLICTS WITH SANTEE'S LONG-STANDING GENERAL PLAN

Since City incorporation in 1980, the Santee General Plan Land Use Element has identified the compatibility between adjacent land uses as foundational to achieve a safe, livable and functional community and ensure a high quality of life. The General Plan provides an Adjacent Land Use Compatibility Guide to ensure compatibility with land uses which includes land use changes that occur on the City's borders and surrounding areas. The General Plan also considers areas beyond the City limits and pursuant to California Government Code 65300 established a Planning Area over territory west of the City that bears a relationship to City plans.

The ENPEX Project can be characterized as a general industrial land use that the City of Santee's General Plan's "Adjacent Land Use Compatibility Guide" establishes as incompatible with residential development and public uses. The location of the ENPEX Project would be adjacent to the existing single family neighborhoods and the existing regional park facilities of the Padre Dam Lakes Recreation Area, clearly in conflict with the Land Use Compatibility Guide. In addition, the General Plan characterizes the 2,600 acre Fanita Ranch area of the City as providing a significant number of move-up residential homes to support the City's high technology and office campus being constructed as a key component to the municipal economy. The "Fanita Project" for a 1,400 dwelling unit master plan community was approved by Santee in December 2007. The two potential ENPEX Project locations would be directly adjacent to the Fanita residential villages as well as Fanita's community-serving public parks in clear conflict with the General Plan Land Use Compatibility Guide.

Therefore; the ENPEX Project is fundamentally inconsistent with Santee's General Plan. The DEIR/DEIS must analyze this inconsistency.

IV. THE ENPEX PROJECT CONFLICTS WITH AN APPROVED FEDERAL STATE AND LOCAL WILDLIFE CORRIDOR AND LOCAL RECREATION TRAILS

Part of the mitigation for the Fanita Project is the construction of a wildlife corridor through the area proposed for the power plant. The location, size and critical importance of this wildlife corridor has been discussed extensively with the state and federal wildlife agencies. This wildlife corridor is not only a mitigation measure on the Fanita Project but also a key element of the Multiple Species Conservation Program ("MSCP") Subregional Plan, Santee's draft MSCP Subarea Plan and the draft MSCP Subarea Plan of Padre Dam Municipal Water District.

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As far back as 1998, through the original MSCP Plan for southern San Diego County, federal, state and local authorities contemplated that a key wildlife corridor would be preserved through the Fanita property, with the corridor serving as an important biological connection between land in the County of San Diego and land on MCAS Miramar.

This key wildlife corridor is a fundamental part of both Santee's draft MSCP Subarea Plan and the Padre Dam Municipal Water District's draft MSCP Subarea Plan. It is anticipated that mammals (such as the southern mule deer, mountain lion and American badger), amphibians and reptiles (such as the orange-throated whiptail, San Diego horned lizard and arroyo toad) and birds (such as the Cooper's hawk, tri-colored blackbird, rufus-crowned sparrow and western bluebird) will use this vital wildlife corridor. Construction and preservation of this key wildlife corridor is a required mitigation measure for the approved Fanita Project. Therefore, it is infeasible to construct the ENPEX Project at either of the proposed locations because it would block this federal, state and locally approved wildlife corridor. The DEIR/DEIS must analyze this inconsistency.

The ENPEX Project, as described in the DEIR/DEIS, is also inconsistent with the recreational trails plans for the County of San Diego, the City of San Diego and Santee. A key recreational trail known as the Stowe Trail runs parallel to Santee's northwestern boundary line. The Regional Stowe Trail connects the Mission Trails Regional Park located in the City of San Diego with both the Sycamore Canyon Preserve and Goodan Ranch in the County of San Diego. The proposed locations for the ENPEX Project would block this regionally significant recreational trail. The DEIR/DEIS must analyze this inconsistency.

V. THE DEIR/DEIS' ANALYSIS OF THE ENVIRONMENTAL IMPACTS OF THE ENPEX PROJECT ARE LEGALLY DEFICIENT

If constructed, the ENPEX Project would have direct and cumulative impacts on the environment in the following areas: Biological Resources, Visual Resources, Land Use, Wilderness and Recreation, Noise, Public Health and Safety, Air Quality, Hydrology and Water Resources, Fire and Fuel Management, and Socioeconomics. The DEIR/DEIS' analysis of these impacts is deficient, however. The deficiencies in the DEIR/DEIS are described below by issue area.

Biological Resources: The ENPEX site, whether 1D or 1B/1C, is fully comprised of 60 acres of undisturbed natural habitat. While the DEIR/DEIS does contain some discussion of biological impacts that would result with the construction of the ENPEX site, the analysis is not sufficiently site specific and the identified mitigation measures are inadequate to address the site and species specific biological impacts that would result from construction of a 60 acre major facility in the environmentally sensitive area. In fact, the DEIR/DEIS discloses that, either studies were not done at all, or that the

DEIR/DEIS relies upon studies that were not even conducted on site, but were conducted "from a public road adjacent to the proposed [ENPEX] site." (See DEIR/DEIS Page E.6-53.)

In addition, in comparing the alternatives, the DEIR/DEIS repeatedly summarizes the impacts of the Alternative, of which the ENPEX Project is a component, as being superior in its biological impacts to the Project because the fossil fuel generation plant would be constructed at already disturbed sites. This is clearly not the case for ENPEX, where individual biological impacts likely exceed those of the environmentally preferred transmission alternative (LEAPS). The Alternative, including the ENPEX site, is identified as the preferred biological alternative, even though the ENPEX site would destroy 60 acres of undisturbed habitat and sever an important wildlife corridor.

The DEIR/DEIS states that there may be impacts to jurisdictional waters and wetlands from the construction of the ENPEX Project. However, these impacts cannot be determined because no formal delineation of waters and wetlands that exist in the immediate vicinity has been conducted. Yet, the DEIR/DEIS concludes that these impacts can be mitigated to a level less than significant.

The DEIR/DEIS notes that the ENPEX Project would create impacts to biological resources from the lighting of the facility. No mitigation has been identified for impacts from project lighting to biological resources. Yet, the impact is identified as less than significant with no accompanying analysis.

Visual Resources: The DEIR/DEIS finds that there will be significant visual impacts resulting from the ENPEX Project. The analysis identified three key viewpoints and selected one for detailed analysis. The selected location was the one that would be least visually impacted by the project. A portion of the power plant is somewhat buffered by a natural rise between the viewpoint and the northerly portion of the site. The view from the adjacent campground and existing residences to the south would not be similarly buffered. From these viewpoints, the ENPEX Project would be on relatively level terrain, in stark contrast to natural slopes to the west of the project site. The proposed placement of a power plant and towers precludes screening the project from public views from the south using the existing topography and landforms. In addition, the DEIR/DEIS fails to address and analyze the approved status of the Fanita Project.

Land Use: As noted above, the ENPEX Project is inconsistent with Santee's General Plan and would result in significant land use impacts on existing and approved adjacent residential and recreation land uses. Through failure to identify existing and planned land uses in the vicinity of the ENPEX site, the DEIR/DEIS concludes that there are no Land Use impacts and states that the site is "attractive from a land use compatibility standpoint because of undeveloped areas that could provide a buffer for populated areas." (DEIR/DEIS Page E.6-11) This "undeveloped area" is the site of the approved Fanita residential development which is consistent with Santee's General Plan.

Residential development has been envisioned for this area well before ENPEX began its efforts. The DEIR/DEIS references a Siting and Feasibility Study conducted on MCAS Miramar. This study only considered impacts to existing and planned uses on MCAS Miramar. The Study did not consider impacts to existing and future residential land uses downwind and within sight of the project site in the adjacent portions of the City of Santee.

Wilderness and Recreation: The description and analysis of the ENPEX site within the DEIR/DEIS fails to recognize that the site is immediately adjacent to the Santee Lakes recreation area which includes camping, fishing, boating and other recreation activities. The document also fails to address the impacts to the regionally significant Stowe Trail discussed above in Section V. As a result, the DEIR/DEIS does not analyze the significant impacts to Wilderness and Recreation that would occur with the ENPEX facility.

Noise: The discussion of noise impacts in the DEIR/DEIS notes that noise levels would be less than 65 dB at 400' from the project site. Noise emanating from the site at this level would be a significant unmitigated impact. Santee's noise standards do not include a 400' from source distance allowance. There are sensitive receptors within 400' of the ENPEX site.

The DEIR/DEIS identifies potential violation of the Migratory Bird Treaty Act as a result of noise with the construction of the ENPEX Project. Mitigation measures are identified and a conclusion is made that these measures will reduce impacts to less than significant levels. However, the identified mitigation measures are inadequate to address the noise impact. The measures do not address the impact of construction noise on nesting birds (e.g., seasonal avoidance, noise berms, etc.). The DEIR/DEIS also fails to acknowledge and address the significance of the adjacent Santee Lakes as a stopping place for migratory birds and fails to analyze the major impacts that the adjacent plant would have on these birds.

Public Health and Safety: The discussion in this section incorrectly states that there are no public facilities within 1,000 feet of the ENPEX Project. Padre Dam Municipal Water District facilities are located within 1,000 feet. The section also notes that the project would store highly flammable and explosive materials at the site. It does not note or analyze the public health and safety impacts of the alternative in light of the site being within an identified high risk fire area which was fully engulfed in the 2003 Cedar Wildfire. Nor does the section address the impact of transporting highly flammable hazardous materials along a two lane roadway with adjacent residential and recreational uses.

Air Quality: The discussion on air quality impacts reveals that no site specific analysis was conducted for the ENPEX Project but concludes that there will be significant air emissions similar to other large fossil fuel burning power plants. The discussion fails to note that there are two existing major stationary point source polluters in close proximity to the ENPEX site, Sycamore Landfill and the Padre Dam wastewater treatment facility. The Alternative's analysis is inadequate without addressing the cumulative impacts of these facilities on the residential and recreational land uses in close proximity downwind.

Hydrology and Water Resources: The DEIR/DEIS notes that the ENPEX project would be a significant water user and generator of wastewater from Padre Dam Municipal Water District. There is no analysis of the available capacity of Padre Dam to address these needs.

Fire and Fuel Management: The DEIR/DEIS is deficient in its Fire and Fuel Management section because its description of the fire safety related setting for the ENPEX Project does not note that the plant is in a high fire risk area and does not analyze the impacts of siting a major power facility in a high fire risk area. The discussion notes the potential for wildfire ignition from plant operations but fails to identify the site specific risk for catastrophic fire in this area. "Taking necessary precautions", as stated in the DEIR/DEIS, do not mitigate the impact of construction of a major power plant in an open space area within a high risk fire impact zone to a level that is less than significant. In comparing the Alternative to the Project, while the construction of a power plant might reduce the potential for transmission line related fires, the use of highly flammable materials in a high risk fire area results in a significant fire safety impact that does not exist with transmission lines.

The DEIR/DEIS inappropriately states that "impacts relating to pre-fire vegetation management and the introduction of invasive species would be less than significant level (Class III) due to the developed areas around the sites." (DEIR/DEIS Page E.6-226) The ENPEX site is currently open space and thousands of acres of permanent open space are located immediately adjacent to the north and west of the site.

Socioeconomics: The DEIR states that "The City of Santee has expressed concern that development of SDCPP within MCAS Miramar would adversely affect property values. Existing conditions include active use of the military base. Because the level of activity at the military facility would not be substantially altered with SDCPP, developing the SDCPP on the base would not result in significant changes to property values in the City of Santee.

Therefore, impacts would be less than significant." (DEIR/DEIS Page E.6-217) This statement is grossly in error and is representative of the insufficient level of analysis conducted for the ENPEX Project. Active uses of MCAS Miramar occur several miles to the west of Santee. The ENPEX site is currently natural open space which provides a

positive effect on surrounding property values in Santee. Loss of this open space and construction of a major power plant will significantly impact property values. The section also notes that the private use of former Department of Defense land would positively impact public agency revenue. It should be noted that while the impacts of the ENPEX Project occur primarily in Santee, the site is not within the City's jurisdiction and there would be no positive revenue stream for the City.

Cumulative analysis: No cumulative analysis was conducted for the ENPEX Project, yet it is included in the Environmentally Superior Alternative. The Environmentally Superior Alternative includes two specific sites for potential construction of a major power plant by 2010. The DEIR/DEIS states the following as a basis for not conducting cumulative analysis for the Environmentally Superior Alternative: "A construction schedule for these projects is not currently available and a list of reasonably foreseeable projects with which impacts of the New In-Area All Source Generation Alternative may combine was not generated due to the uncertainty of the timing and specific locations of the alternative's components." (DEIR/DEIS Pages G-161 & G-163.) If the Environmentally Superior Alternative assumes the construction of a major power plant at one of two sites by 2010, there is no acceptable reason for failing to address cumulative impacts at these sites.

The DEIR/DEIS notes that "[t]o determine if this [New In-Area All Source Generation Alternative] would contribute to a cumulative impact, the impacts identified in Section E.6 were compared to impacts of the Proposed Project, as presented in Table H-28 as well as to the list of cumulative impacts identified for the Proposed Project presented above in Table G-4 in Section G.3. Based on the impact analysis presented in Section E.6 and the methodology presented above, when combined with the impacts of past, present and reasonably foreseeable projects, implementation of the New In-Area All Source Generation Alternative would result in the significant cumulative impacts listed in Table G-14." (DEIR/DEIS Page G-164.)

Previous discussion in the DEIR/DEIS stated that no effort was made to identify reasonably foreseeable projects (e.g. Sycamore Landfill expansion, Padre Dam sewer treatment plant expansion and expansion of Santee Lakes recreation facilities, Fanita residential development, Castlerock residential development). The Alternative's analysis in section E.6 did not include cumulative analysis of the impacts of existing and planned projects. Yet, the statement on page G-164 of the DEIR/DEIS includes a statement to the contrary and concludes with a statement on the Alternative's cumulative impacts without the benefit of any cumulative analysis.

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VI. CONCLUSION

The ENPEX Project is not feasible and therefore cannot serve as a viable alternative to the Project. In addition, the ENPEX Project is inherently inconsistent with Santee's long-standing General Plan, a federal, state and locally approved wildlife mitigation corridor and a regionally significant recreational trail. Moreover, because of the conceptual nature of the ENPEX Project, the DEIR/DEIS does not, and cannot, fully analyze the impacts of the Project as required by CEQA and NEPA. Santee recommends that any reference to the ENPEX Project be deleted from the DEIR/DEIS.

Sincerely,



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