

Dear BLM + CPUC representatives,

2/23/07

Please read the enclosed articles from the San Diego Union Tribune.

The article "SDG&E Won't Buy Power From New Plant" illustrates the greedy thinking of SDG&E. Rather than buy the power from an existing plant (or buy the plant) they would rather deface our beautiful back country with the Sunrise Powerlink. It seems that their money could be better spent purchasing the existing plant or entering a long term lease with them. It appears, by their reasoning, that they think that the Sunrise Powerlink is a done deal. Is it? I truly hope not. Not only are they ignoring available energy sources, but seem to be linking the proposed Powerlink to the dirty power in Mexico and channeling it to the LA market by taking it so far north. If the power is really for San Diego, then the I-8 corridor or the border would be better options and are places already spoiled by their lines.

The second article mentions "Coal-fired Plants Put Off-Limits by PUC" but also says that renewing long term contracts from coal powered sources will be prohibited.

My concern is that SDG&E probably already has a long-term contract in place. Can you check into that? I think that that is merely a loophole that may sound good but is ineffective due to prior contracts.

Please, please, please recommend that SDG&E buy the South Bay powerplant (or buy the power from them) and drop the Sunrise Powerlink proposal. The fact that they say they don't need the power from the existing powerplant illustrates how they are manipulating the system and therefore are manipulating you and me. Please don't let them get away with this! There is not a true need for this monstrosity. Please stop them!

Thank you.

Sincerely, *Margaret Hurley*  
Margaret Hurley

PO Box 548

Borrego Springs CA 92004

(760) 767-4606

# SDG&E won't buy power from new plant

## Stance surprises some in South Bay

By Tanya Mannes and Craig D. Rose  
STAFF WRITERS

San Diego Gas & Electric Co. said this week it had no interest in buying electricity from a new generating facility proposed to replace the aging South Bay Power Plant.

While the utility insisted that position wasn't new, it surprised key decision makers involved in planning for new uses of the bayfront site in Chula Vista and prompted criticism that the utility was discour-

aging projects it does not own or control.

LS Power Generation, which owns the lease on the South Bay Power Plant, is seeking a lease from the San Diego Port Commission for a site just south of the existing plant on which it would build a modern, 620-megawatt power plant with a smaller footprint.

Under the company's plan, the existing plant — which can generate 700 megawatts, or enough to power nearly 500,000 homes — would be demolished.

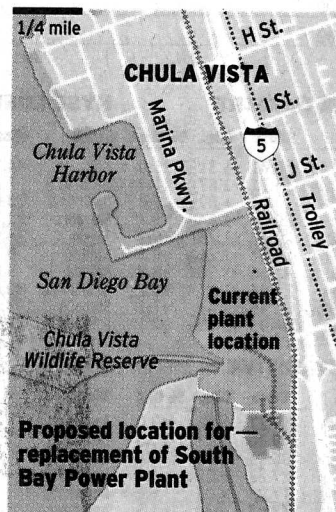
But at a public forum Thursday, Jim Avery, a senior vice president of SDG&E, disputed the need for replacing the South Bay Power Plant. He said the utility has no plans to

purchase power from the proposed plant and that SDG&E is confident it can meet the region's power needs without it.

The San Diego region has a need for peaker power plants, not a larger baseload generator that LS is planning for the site, Avery said.

Peaker plants are designed to operate sporadically to meet periods of extraordinary demand. Using a baseload plant for peak needs, Avery said, would be like using an 18-wheel truck to give someone a ride to church.

"The existing power plant has operated as an inefficient peaking plant," Avery said at the forum, or-



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SOURCE: The Port District UNION-TRIBUNE

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### Company says region still will need power generated from a new plant

ganized jointly by the Chula Vista City Council and San Diego Port Commission.

"What we need are peaker plants. We don't need baseload plants," Avery said.

Last year the utility began operation of the Palomar Energy Center, a baseload plant that it owns in Escondido. And it has an option to buy a plant being built on Otay Mesa by Calpine Corp.

In addition, SDG&E is proposing to build and own the Sunrise Powerlink, a \$1.4 billion transmission line that would bring electricity into the region from Imperial County.

Nonetheless, David Hicks, a spokesman for LS Power, says the company believes the San Diego region will need more baseload generating plants. He added that the company would press forward with its plans for the new plant.

"If it can provide clean, safe, reliable energy at a competitive price, why wouldn't SDG&E consider it?" Hicks asked.

The forum was called after some Chula Vista city officials objected to the Port Commission's consideration of leasing the bayfront site to LS Power. In response, the port postponed the lease decision, saying it

wanted to know the official position of the Chula Vista City Council.

More than 150 people attended the four-hour meeting Thursday at Chula Vista City Hall. The big issues were whether a replacement power plant is needed — and, if so, whether it should be built on the city's valuable bayfront land.

Avery's statements appeared to contradict an earlier statement by LS Power Vice President Kevin Johnson. Johnson, who had described SDG&E as a "customer," said his company's business plan was based on selling power to the San Diego utility.

Councilman John McCann asked Avery to state definitively whether SDG&E would purchase power from the planned replacement power plant.

"That's a 'no,'" Avery said. "Our objective is: the day the lease is over, there will be no more need for it."

He also cited plans for the Otay Metro Powerloop — a new, 52-mile transmission line — saying it would help meet the region's energy needs.

If a replacement power plant is not built, it opens up the possibility of using the Chula Vista bayfront for purposes other than an industrial plant.

McCann said Avery's statement casts doubt on whether LS Power's plan to build a replacement plant is feasible. "The bottom line is, if they don't have the contract, they can't operate the plant," he said.

strong statement from an SDG&E representative, although he was aware of uncertainty surrounding the plan to sell power.

But Councilman Steve Castaneda, who is designated by the council to deal with energy issues, said SDG&E's statement wasn't a surprise.

"I've known for several months that SDG&E had no plans to buy power from the new LS Power plant, which gave me great concern that the old plant would be up and running for longer than we'd like," Castaneda said.

Laura Hunter, director of the Environmental Health Coalition, which has called for alternatives to a traditional power plant, said that SDG&E's statement about not needing the power is "something we suspected from our review" but she was glad to hear it said publicly.

An SDG&E critic, meanwhile, said the utility's disinterest in buying power from a modern South Bay power plant amounted to creating a problem "so they can solve it and make a lot of money."

Harvey Payne, an attorney who is chairman of Rancho Peñasquitos Concerned Citizens, noted that SDG&E's application to state regulators for approval of the 150-mile Sunrise Powerlink assumes that the South Bay plant will be closed.

His group calls the project environmentally damaging and unnecessary. The line would cost \$1.4 billion and reach from Imperial County across Anza-

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# Coal-fired plants put off-limits by PUC

SDG&E among utilities barred from buying 'dirty' electricity

By Terence Chea, ASSOCIATED PRESS

SAN FRANCISCO — California utility regulators banned power companies yesterday from buying electricity from high-polluting energy sources, including most out-of-state coal plants, to help curb global warming.

The Public Utilities Commission voted 4-0 to adopt the "greenhouse gas emissions performance standard," which will prohibit investor-owned utilities from entering or renewing long-term contracts for electricity from sources that emit more carbon dioxide than a modern natural gas plant.

"It represents a significant milestone in our ongoing efforts to address the challenge of climate change," PUC President Michael Peevey said.

The new rules are expected to affect energy markets across the West. While there are almost no coal-fired plants in California, about 20 percent of the state's electricity comes from coal plants in Nevada, Wyoming, Utah and other Western states.

The new standard is aimed at encouraging investment in cleaner energy sources, such as wind and solar, while discouraging use of coal and other high-polluting sources.

Coal is inexpensive and plentiful, but it releases high levels of carbon dioxide, a gas blamed for trapping heat in the Earth's atmosphere and raising temperatures worldwide.

The standard, expected to take effect Feb. 1, was adopted as part of California's strategy to combat climate change by reducing emissions of greenhouse gases. Legislation signed into law last year required the state to adopt emissions standards for investor-owned and municipal utilities.

The PUC regulates the state's three investor-

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If a replacement power plant is not built, it opens up the possibility of using the Chula Vista bayfront for purposes other than an industrial plant.

McCann said Avery's statement casts doubt on whether LS Power's plan to build a replacement plant is feasible. "The bottom line is, if they can't have the contract, they can't operate the plant," he said.

Port Commissioner Stephen Cushman said Avery's comments are good news. If SDG&E doesn't need electricity from a replacement plant, and if state electric reliability experts say the existing facility can be phased out, he would like to see the plant dismantled after the current lease expires in 2009.

Councilman Rudy Ramirez said Thursday was the first time he had heard such a

modern South Bay power plant amounted to creating a problem "so they can solve it and make a lot of money."

Harvey Payne, an attorney who is chairman of Rancho Peñasquitos Concerned Citizens, noted that SDG&E's application to state regulators for approval of the 150-mile Sunrise Powerlink assumes that the South Bay plant will be closed.

His group calls the project environmentally damaging and unnecessary. The line would cost \$1.4 billion and reach from Imperial County, across Anza-Borrego Dessert State Park, and cut across a broad swath of North County communities.

"I believe we should not retire our in-basin generation and rely on electricity generated hundreds of miles away," Payne said.

**Tanya Mannes:** (619) 498-6639; tanya.mannes@uniontrib.com  
**Craig Rose:** (619) 293-1814; craig.rose@uniontrib.com

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### New rules part of state fight vs. global warming

owned utilities — Pacific Gas & Electric Co. in San Francisco, Southern California Edison in Rosemead and San Diego Gas and Electric, owned by Sempra Energy in San Diego. Together, they supply power to more than 70 percent of Californians.

The three utilities said yesterday that they support the emissions standard and did not anticipate much impact on electricity rates. Coal makes up 1 percent of power at PG&E, 3 percent at SDG&E and 7 percent at SCE, according to officials at those companies.

The California Energy Commission is drawing up a similar emissions standard for municipal utilities, which import more electricity from out-of-state coal plants. The commission is expected to issue its rules by July.

Municipal utilities in Anaheim, Los Angeles, Pasadena and Truckee ran into strong opposition when they tried to secure long-term deals with out-of-state coal plants before the emissions standard took effect.

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Environmentalists praised the PUC's emissions standard yesterday, saying it could encourage other states to adopt similar rules.

"It will help transition California's energy market to one that produces less greenhouse gas emissions," said Jim Metropoulos of the Sierra Club. "Other states may look at it and decide they also want to transition from dirty coal power to cleaner, green power."

But Luke Popovich of the Washington-based National Mining Association, which represents the coal industry, said restricting emissions would drive up energy costs, because coal makes up about half of the nation's electricity supply. Such restrictions will do little to combat global warming unless other countries adopt similar limits, he added.

"We don't think it makes sense for the United States to unilaterally deny itself use of its most abundant energy source, which is coal," Popovich said. "It is hardly going to solve anything unless we get China and India and other rapidly expanding economies into some sort of control regime."

Bob Finkelstein, who heads The Utility Reform Network in San Francisco, said California ratepayers may pay a little more, but will benefit from cleaner-energy sources in the long run.

"Consumers now and later will be better off if we start planning today for an energy future that doesn't have dirty coal," he said.

The San Diego

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