



July 29, 2013

Andrew McAllister, Commissioner  
California Energy Commission  
Via email: [docket@energy.ca.gov](mailto:docket@energy.ca.gov), [Donna.Parrow@energy.ca.gov](mailto:Donna.Parrow@energy.ca.gov)  
cc: [Mike.Jaske@energy.ca.gov](mailto:Mike.Jaske@energy.ca.gov)



**RE: Docket Number 13-IEP-1D, Electricity Infrastructure Issues from SONGS Closure**

Dear Commissioner McAllister,

Thank you for jointly hosting with the California Public Utilities Commission (CPUC) a public Workshop on Electricity Infrastructure Issues Resulting from SONGS Closure on July 15. Environmental Health Coalition (EHC) and its members were glad to have the opportunity to voice their opinions and share their experiences. We invite you to conduct another workshop in San Diego, so that you may hear from more of the stakeholders most impacted by potential electricity infrastructure changes stemming from SONGS closure.

Per your request, we write today to reiterate our perspective on energy infrastructure needs post-SONGS.

**1. SONGS' closure is an opportunity to protect public health, meet climate goals, and move CA towards a cleaner, more stable energy and climate future.**

EHC— a bi-national organization representing over 5,000 people— has been fighting toxic pollution in San Diego and Tijuana for 33-years. We work in low-income communities of color most impacted by pollution, dirty energy, and climate change. Our communities are on the front lines of the fossil fuel industry and suffer the health consequences of pollution with disproportionately high asthma and cancer rates. CalEPA's new CalEnviroScreen tool identifies EHC neighborhoods as some of the most burdened by pollution and most vulnerable to its effects in the state.

Climate change will compound our communities' health problems. The American Public Health Association has stated, "climate change is one of the most serious public health threats facing our nation." The CA Department of Public Health says "climate change will have significant and far-reaching public health consequences, and these health impacts are occurring sooner than expected."

Climate impacts such as more intense and frequent heat waves, increased wildfire risk, impaired air quality, and extended droughts will hit low-income communities the hardest due to lack of

access to healthcare, lack of air conditioning and transportation to escape the heat, and lack of tree canopy to provide shade and respite from the heat island effect. In fact, climate change is already disproportionately impacting low-income communities. California Department of Public Health data shows that during the state's heat wave of July 2006, 99% of the 600 associated deaths occurred in zip codes where over half of residents were below the poverty line.

The state has a moral and legal obligation to fight climate change and protect the health of those who have been disproportionately impacted by our dirty energy economy. The closure and replacement of SONGS presents an opportunity to move California in the right direction towards a cleaner, more stable energy and climate future, and to serve as a model for future energy development within the state and throughout the country. SONGS' replacement must cost-effectively maintain a reliable electric system that meets our state's energy service needs while protecting public health and complying with the state's long-term greenhouse gas reduction goals, state and federal air quality standards, and the state's "loading order" that requires consumers' electricity needs to be met by the cleanest resources first.

We urge you to lead a collaborative effort with other state agencies, utilities, local governments, and community organizations to make it clear that Southern Californians have a choice, and they can help build a virtual "SONGS power plant" by doing their part to upgrade their homes and businesses, conserve energy, and use cleaner energy.

## **2. SONGS' replacement needs a vetted and transparent public process.**

The plan to replace SONGS must be developed through a transparent public process based on sound data and analysis, including the thorough analysis of SONGS replacement needs currently underway at the California Public Utilities Commission (CPUC). The best forum for determining SONGS' replacement is the CPUC's Long-Term Procurement Plan proceeding, in collaboration with the Independent System Operator (ISO) and California Energy Commission. This proceeding's transparent public vetting and updated modeling— which should consider all options including a combination of local and system-wide preferred resources that can reliably replace SONGS— is essential for California to make an informed decision on how best to replace SONGS and ensure we do not construct unneeded new fossil-fueled power plants and transmission lines at the expense of public health, the environment, and ratepayers.

The ISO already has sufficient reserve margins to maintain reliability in the near-term. We should not rush or override the CPUC LTPP process, especially since it will start with the submission of new and updated CAISO models and testimony in early August, followed by testimony from Southern California Edison (SCE) and stakeholders, all of which will be the subject of full, public examination.

## **3. We must use the most accurate, publicly vetted models.**

Some of the ISO's prior model results, which were among those presented at the July 15 joint workshop in Los Angeles, were already tested through the CPUC's public process and found to have significant flaws. Errors in ISO modeling have resulted in significant overestimates of the

need for additional fossil-fueled power plants by underestimating the state's plans for energy efficiency and other preferred resources. CAISO's flawed modeling predicts peak demand in SDG&E to grow by 30% in 2022, despite the fact that SDG&E's peak demand growth has been relatively static for the last seven years. In addition, the CPUC's most recent decision on the need for new power plants in the Los Angeles area found that nearly half the capacity of fossil-fueled power plants suggested by the ISO's model was unnecessary. This saved customers at least hundreds of millions of dollars and prevented over 1,000 MW of unnecessary polluting fossil-fuel facilities from being built.

We are concerned that, without a transparent public process that starts with publication of CAISO's newest modeling, the state may rely on outdated assumptions about the operational and planning value of preferred resources. Relying on flawed model results and rushing to decisions without adequate analysis could lock California into polluting and costly power plants for generations that could make it impossible to meet future greenhouse gas emission reduction and air quality goals and requirements. It is essential that any decisions about new fossil generation and transmission are based on updated modeling that has been vetted in a public process.

#### **4. No immediate need for new power plants.**

The ISO has sufficient reserve margins to maintain reliability in the near-term. In fact, SDG&E had reserves of about 24 percent during the hottest hour of the year in September 2012— without SONGS— and the territory's peak growth has been relatively static for seven years.

The proper response to the shutdown of SONGS is voltage support in the vicinity of SONGS, not more generation. Many of the issues raised by the closure of SONGS have already been addressed due to forward thinking by the ISO, agencies and utilities. For example, the addition of synchronous condensers at Huntington Beach and other transmission system enhancements have addressed the voltage support needs created by the loss of SONGS. For the long-term, CAISO has identified further low-cost, non-generation transmission fixes.

In addition, significant new generating and transmission capacity has come on-line in Southern California this past year, and SDG&E has the opportunity to better utilize its existing resources to avoid construction of new power plants. For example, SDG&E is underutilizing its current power plants in Palomar and Otay Mesa, which are base-load plants that could operate as peaking units if necessary but are not currently used for that purpose. In addition, SDG&E could retrofit cooling towers at Encina to keep the existing plant running.

Finally, the analysis provided by SCE, SDG&E, CEC and CAISO fails to provide sufficient data regarding an aggressive implementation of energy efficiency, demand response, and local roof top and parking lot solar as critical and first choices measures to pursue in compliance with the State loading order.

## 5. Preferred resources can and should be used to meet any future need.

While a public process is underway for determining future new generation needs, California should get started right away on “no regrets” strategies, such as ramping up energy efficiency, demand response, energy storage, and renewable distributed generation in the local areas that were served by SONGS, as well as transmission system enhancements to import preferred resources. Some of the best options to build the state’s clean energy future require engaging utility customers as partners - to improve energy efficiency, vary demand to reduce peak and help keep the grid reliable, and install distributed generation.

We now have a great opportunity to engage Southern Californians by making them active partners in the decision about how to replace the region’s largest power plant. We know based on our years of work going door-to-door and completing energy assessments that our community members are willing, able and ready to help do their part to reduce our energy use and build a new energy future. They want a better future for their children and neighborhood.

We look forward to working with you to ensure California’s approach to replace SONGS is consistent with the state’s loading order, is based on publicly-vetted data and analysis, and continues to support the state’s effort to create a clean energy future. We also look forward to discussing these issues further at a workshop in San Diego.

Sincerely,



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**Nicole Capretz**

Associate Director, Green Energy/Green Jobs  
**Environmental Health Coalition**  
2727 Hoover Ave, Suite 202  
National City, CA 91950  
Tel: 619-474-0220x105  
Email: nicole@environmentalhealth.org



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**Kayla Race**

Policy Advocate, Green Energy/Green Jobs  
**Environmental Health Coalition**  
2727 Hoover Ave, Suite 202  
National City, CA 91950  
Tel: 619-474-0220 x133  
Email: kaylar@environmentalhealth.org

cc:

Chair Weisenmiller, CEC (Catherine.Cross@energy.ca.gov)  
Commissioner Douglas, CEC (Ollie.Awolowo @ energy.ca.gov)  
Commissioner Hochschild, CEC (Kathleen.McDonnell @ energy.ca.gov)  
Commissioner Scott, CEC (Michele.Lorton @ energy.ca.gov)  
President Peevey, CPUC (mpl@cpuc.ca.gov)  
Commissioner Florio, CPUC (mike.florio@cpuc.ca.gov)  
Commissioner Ferron, CPUC (mark.ferron@cpuc.ca.gov)  
Commissioner Peterman, CPUC (carla.peterman@cpuc.ca.gov)  
Commissioner Sandoval, CPUC (catherine.sandoval@cpuc.ca.gov)  
Paul Clanon, Executive Director, CPUC (pac@cpuc.ca.gov)