



October 23, 2012

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Siting, Transmission and Environmental Protection (STEP) Division
California Energy Commission
1516 Ninth Street, MS-2000
Sacramento, CA 95814

California Energy Commission

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11-AFC-3

TN # 68074

OCT. 24 2012

RE: Quail Brush Does Not Meet LORS Override Requirements – Must Be Denied

Dear Mr. Solorio:

Environmental Health Coalition submits the following comments to the record regarding the question of whether there is a public necessity or lack of alternatives available to necessitate a CEC override of the LORS conflict for the proposed Quail Brush power plant.

I. Quail Brush Is Not Needed to Meet SDG&E's Resource Adequacy Requirements

The only way that SDG&E or CEC calculates a "need" for any new generation is by relying on the CAISO's transmission study, which assumes that:

- o It is the hottest day in 10 years
- o Three out of four import pathways are down
- o No demand response is available in 2021 despite several hundred MW currently being available
- o No uncommitted EE is available in 2021 despite CPUC and even CEC assumptions of several hundred MWs being available
- o No incremental CHP is available in 2021 despite CPUC and CEC assumptions that more CHP will be available
- o No energy storage is available, even though projects are currently being developed
- o SDG&E has decided to not renew the lease of the Cabrillo peakers
- o All of Encina has been retired, despite all parties acknowledging need for Encina subarea resources and the likelihood of continuing generation there
- o None of the potential transmission fixes have been evaluated or constructed.
- o CAISO assumes an extra 144 MW need on top of all of those assumptions

All of these assumptions are suspect, and if evaluated show that there is no need for the Quail Brush facility. Further, SDG&E has a high reserve margin, which also shows that there is no need.

For all the above reasons, multiple parties in the current LTPP proceeding at the CPUC – including the Division of Ratepayer Advocates – are challenging the need for Quail Brush and other new expensive facilities.

II. SDG&E Has Recently Added Significant Resources to the Grid that Meet Any Potential Needs

SDG&E has recently added significant resources to the grid that eliminate any potential “need.” It has added:

- The Sunrise Transmission Line, which imports 1000 MW of capacity into the San Diego area.
- The 604 MW Otay Mesa facility
- The 48 MW Wellhead El Cajon facility
- The 48 MW Miramar II facility
- The 100 MW Orange Grove facility

If SDG&E actually has a need for more resources, which it does not, it could simply renew the lease to its current Cabrillo peakers, which provide more MW than Quail Brush. This not only avoids construction of a costly new power plant but follows the SDG&E preference to cite generation on brownfields before going to green fields. There is also the CEC approved Carlsbad Energy Center, which we do not believe is necessary but certainly satisfies any asserted local area need and again, is in a brown field location.

Finally, there is no study that SDG&E can point to that shows that it needs new fossil fuel facilities in the SDG&E area to backup renewable energy, and in fact SDG&E signed a settlement after a year-long study agreeing that it did not need new plants for renewable integration by 2020.

{http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/164799.htm}

III. Quail Brush Is Located on a Green Field, Far Away from the Actual Area that Needs Power.

- QB is located on a green field, in violation of SDG&E's own criteria for distinguishing bids
- QB is not located in the San Diego local area even though according to SDG&E, the local area is the area that needs the power.
- CAISO is not sure how the power from QB will be delivered to the local area.
- As of this summer, SDG&E did not know how it was going to interconnect QB to the grid.
- The uncertainty related to deliverability show that a power plant should not be approved for this site.
- The facility will emit harmful particulate matter and GHG emissions into one of the most highly valued regional assets and open space.

IV. SDG&E Does Not Have Approval from the CPUC to procure power from Quail Brush

Because SDG&E constructed the \$2 billion Sunrise power-link, it did not have authority to contract with other new facilities. SDG&E is currently seeking authority for the facility at the CPUC, and it is being challenged as unnecessary from multiple parties including but not limited to Environmental Health Coalition, California Environmental Justice Alliance, Sierra Club, TURN and DRA.

V. The SONGS Outage Is Not a Reason To Approve Quail Brush

Quail Brush is not a solution to a potential SONGs outage. The CAISO has evaluated a potential SONGs outage, and has stated in a recent official report that a transmission fix is the solution if SONGs remains off-line next year.

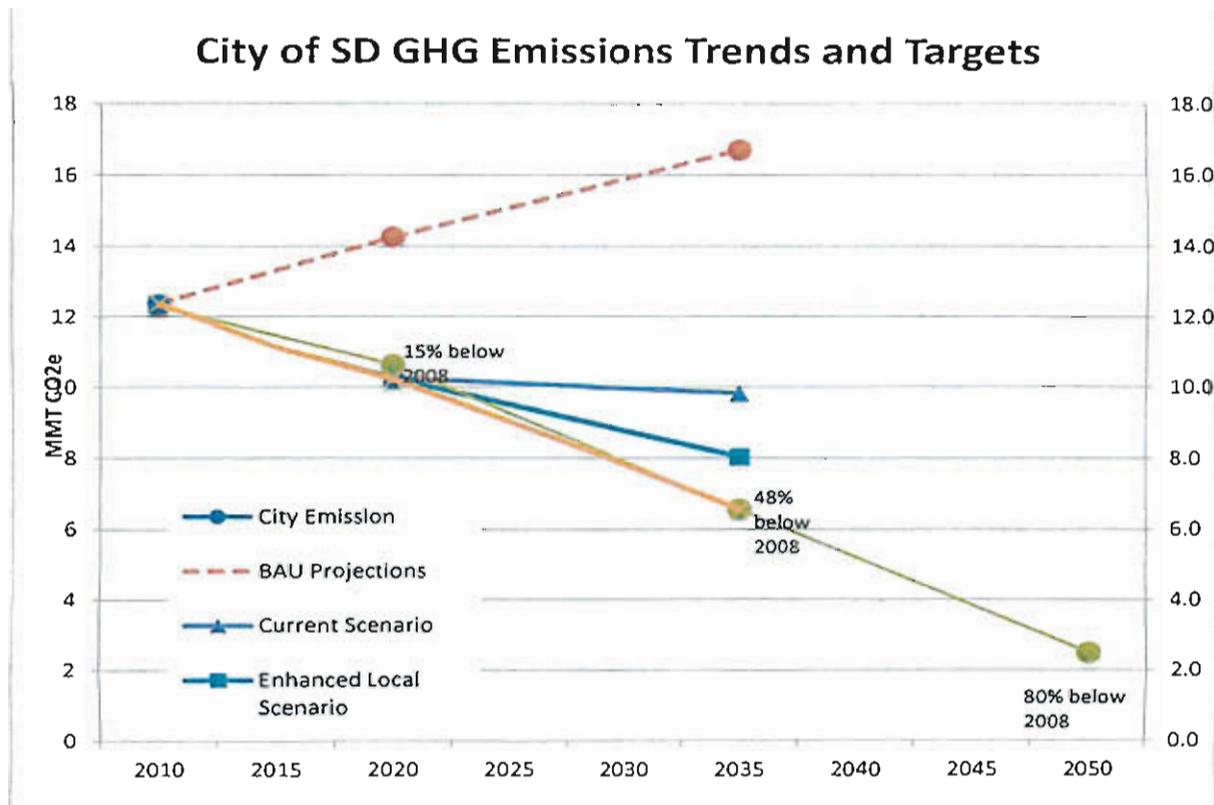
Here is the link to the report. http://www.aiso.com/Documents/Addendum-Final2013LocalCapacityTechnicalStudyReportAug20_2012.pdf

VI. Impacts to Public Health and GHG Emissions

The proposed Quail Brush fossil-fuel plant is unnecessary, expensive, polluting and will add large amounts of greenhouse gases and other emissions in the City—including NO₂, CO (carbon monoxide), particulate matter, SO₂— and contribute significantly to climate change. These new emissions are proposed at the same time the City is developing a plan to make significant reductions in greenhouse gas emissions and promote efficiency

and clean energy (City's Climate Mitigation and Adaptation Plan). A new fossil fuel power plant would negate all that hard work.

Here is a chart from the draft City of San Diego CMAP outlining the dramatic reductions that are needed – including a 15% reduction by 2020.



This plant would add over 200,000 tons of carbon dioxide equivalent (CO₂e) emissions— i.e. greenhouse gases— to the City of San Diego's footprint at the exact time we are planning on reducing GhG emissions by 15% by 2020.

There are no plans in the City of San Diego CMAP to mitigate or account for these proposed new emissions and the City is still struggling to reduce emissions from existing GHG inventories.

Impacts of Climate Change Hit Low-Income Communities First and Worst

We are particularly concerned about the impacts of climate change (extreme heat waves/compromised air quality/increased fires/heat islands) on low-income, communities of color. Low-income communities will suffer first and worst from climate changes, while they are least prepared and least able to adapt. We thus feel is imperative to do everything we can to mitigate climate change impacts – starting with reducing the GHG emissions that lead to climate change.

We also believe that one of the best ways to prepare our communities for a changing climate is to make buildings in their neighborhoods energy efficient and resilient, as well as drive economic innovation and prosperity into their neighborhoods. Installing efficiency measures and rooftop/parking lot solar on existing buildings in these neighborhoods helps them become cooler, safer and healthier – and potentially helps lead them to be energy independent neighborhoods insulated from some of the volatility of a changing energy market.

Unfortunately, construction of a new fossil-fuel peaker power plant takes away from that vision and strategy. There are limited resources available to implement our energy future and choices to build expensive power plants means trading opportunities for building an efficient, clean and prosperous energy future.

For all these reasons, we urge Council to uphold the Planning Commission decision and deny the Appeal of Cogentrix, LLC.

Sincerely,



Nicole Capretz
Associate Director
Environmental Health Coalition

Cc: Commissioners McAllister & Douglas