

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED
6-28-16
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In The Matter of the Application of SAN DIEGO GAS & ELECTRIC COMPANY (U902E) for a Certificate of Public Convenience and Necessity for the Sycamore-Penasquitos 230 Kilovolt Transmission Line Project.

Application 14-04-011
(Filed April 7, 2014)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, the Bay Area Municipal Transmission Group (BAMx)¹, hereby gives notice of the oral and written *ex parte* communication with the offices of Commissioners Carla Peterman and Mike Florio.

On June 23, 2016, from 2:00 PM to 2:30 PM BAMx representatives met with Ehren Seybert, advisor to Commissioner Carla Peterman, at the office of the California Public Utilities Commission (CPUC) located at 505 Van Ness Avenue, San Francisco, CA 94102. The following BAMx representatives attended the meeting: Joyce Kinnear with the City of Santa Clara, Debra Lloyd with the City of Palo Alto, and Barry Flynn of Flynn Resource Consultants Inc., consultant to BAMx.

On June 23, 2016, from 3:00 PM to 3:30 PM BAMx representatives met with Charlyn Hook, advisor to Commissioner Mike Florio, at the office of the California Public Utilities Commission (CPUC) located at 505 Van Ness Avenue, San Francisco, CA 94102. The following BAMx representatives attended the meeting: Joyce Kinnear with the City of Santa Clara, Debra Lloyd with the City of Palo Alto, and Barry Flynn of Flynn Resource Consultants Inc., consultant to BAMx.

During each of the meetings, Ms. Lloyd introduced the members of BAMx, who are transmission dependent utilities within the California Independent System Operator (CAISO) footprint that pay the same Transmission Access Charge (TAC) as the investor owned utilities'

¹ The members of BAMx are Alameda Municipal Power, City of Palo Alto Utilities, and City of Santa Clara, *dba* Silicon Valley Power, and Port of Oakland.

retail customers. Both Ms. Kinnear and Ms. Lloyd indicated their concerns about the impact of increasing transmission costs on their budgets. Ms. Kinnear added that the Proposed Project was not needed due to decreasing load from distributed resources and energy efficiency. At both meetings, Mr. Flynn provided the attached presentation material to Mr. Seybert and Ms. Hook, then discussed how the “No Project” Alternative solves the identified reliability issues with less cost to ratepayers. He requested that the Commission not approve the project because renewable energy deliverability should not be a requirement absent a demonstration of its economic value. Despite the above considerations, if the Commission decides it is necessary to approve a project at this time, it should approve the SDG&E-proposed project, and not the Alternative 5 as it costs nearly double (\$260M) the Proposed Project (\$134M). Also, many of the environmental harms identified in the FEIR are not mitigated by the costly Alternative 5.

June 28, 2016

Respectfully submitted,

/s/ Debra Lloyd

Debra Lloyd

For the

BAY AREA MUNICIPAL TRANSMISSION GROUP

Utilities Compliance Manager

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Attachment



Sycamore-Penasquitos CPCN Application (A.14-04-01)

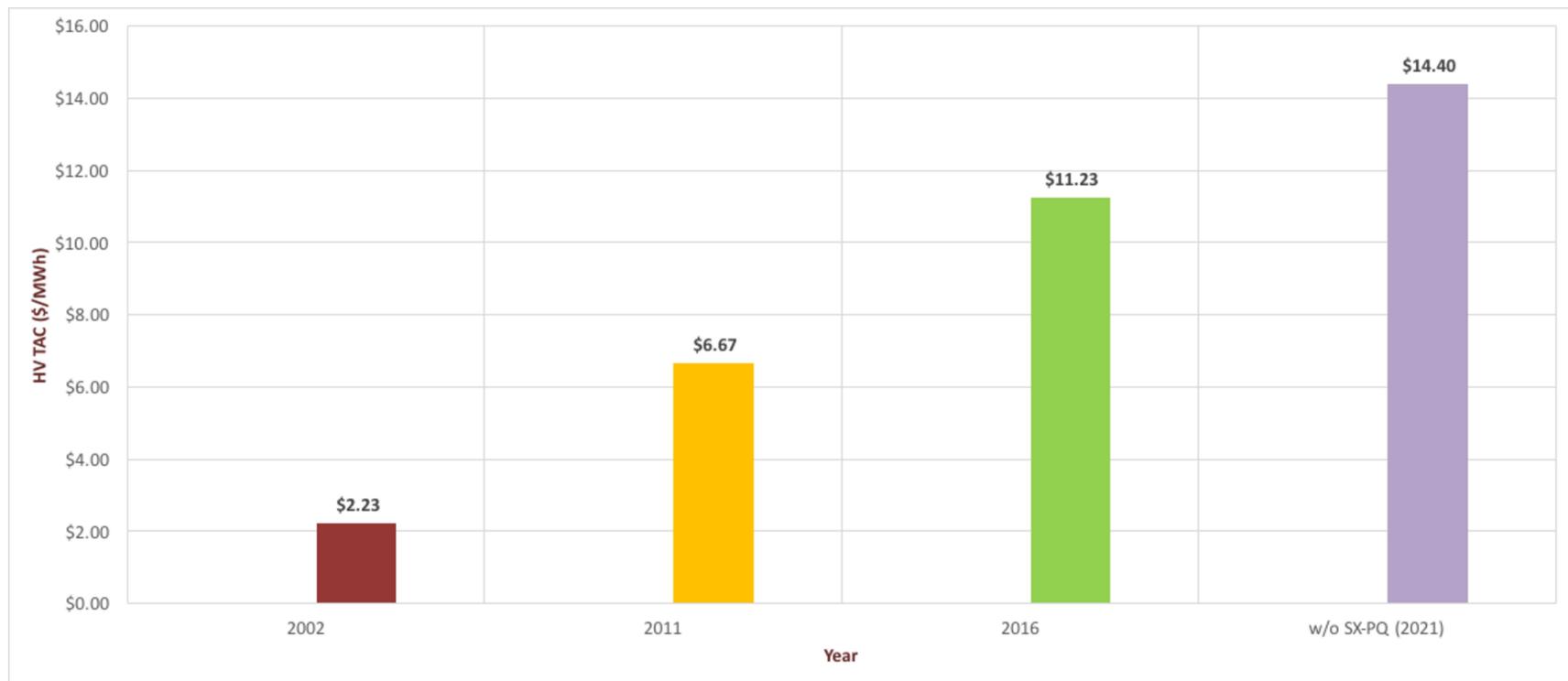
**Bay Area Municipal Transmission Group (BAMx)
Alameda Municipal Power
City of Palo Alto Utilities
City of Santa Clara, Silicon Valley Power
Port of Oakland**

**CPUC
San Francisco, CA**

June 23, 2016

Proposed Project Will Contribute to Ever Increasing Transmission Costs

CAISO ratepayer impact of SX-PQ (\$134M), by itself, is over \$20M/Yr



SDG&E's Proposed Project Scope/Objectives



CPUC Project Objectives

1. Maintain long-term grid reliability in the absence of San Onofre Nuclear Generating System (SONGS) generation
2. Deliver energy more efficiently to the load center in San Diego
3. Support deliverability of renewable resources identified in SDG&E's renewable portfolio

No Project Alternative per Draft EIR

- ❑ Mission-Penasquitos 230kV Line;
 - Already approved by the CAISO in 2014-15 Transmission Plan

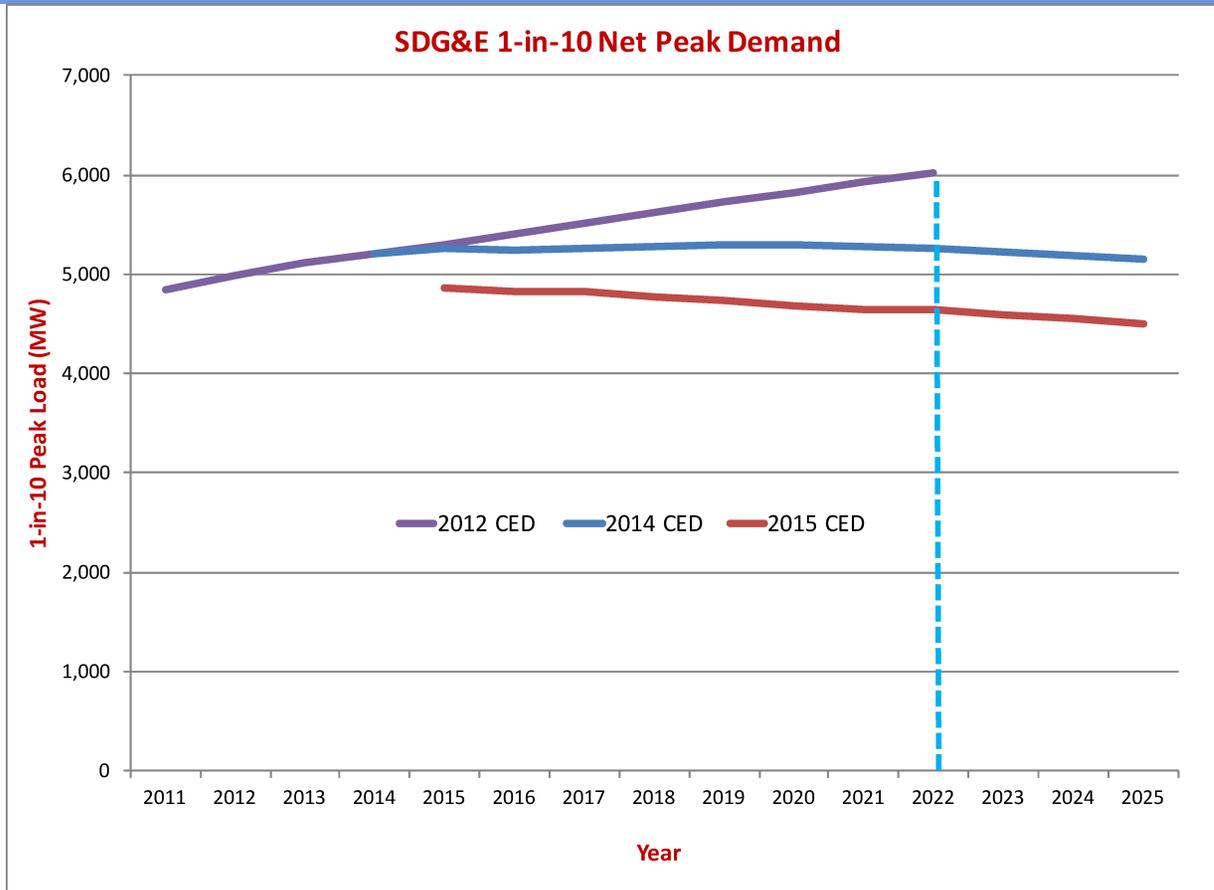
- ❑ Install a Series Reactor at Sycamore Canyon Substation; and

- ❑ Second Poway—Pomerado 69-kV line.

Adequacy of No Project Alternative

- ❑ BAMx believes that the the No Project alternative is sufficient to address reliability issues
- ❑ BAMx does not agree with rejecting “No Project” Alternative for not meeting the remaining two objectives
 - Delivering energy more efficiently to load center in San Diego is ambiguous and unsupportive objective
 - Promoting **deliverability** of renewable energy, it is an inappropriate objective
 - Full Capacity Deliverability Status is a Resource Adequacy criteria that should not be used to assess transmission need for renewables; Energy Only resources are equally effective in meeting the State’s policy goals
 - No production cost study indicating congestion or renewable curtailment has been performed.
 - SDG&E has not demonstrated that the Proposed Project is required for it to meet its renewable goals.
 - SDG&E already has 43.1% RPS procurement currently under contract for 2020
 - SB350 Initiative will further reduce the need for the Proposed Project
 - Encourages additional preferred resources, especially energy efficiency and demand response.

SDG&E Load Projections Are Dropping Steadily



SB 350-friendly loads are expected to double AEE savings, thereby greatly reduce loads even further

* CED: California Energy Demand (All are Final Forecast for Mid Demand Baseline Case with Mid AEE Savings)

Conclusions

- ❑ The “No Project” Alternative
 - Solves the identified reliability issues; and
 - Is less costly.

- ❑ The Commission should not approve a project to provide full capacity deliverability to renewable projects unless it is demonstrated as an economic project.

- ❑ Despite the above considerations, if the Commission decides it is necessary to approve a project at this time, it should approve the SDG&E-proposed project, and not the Alternative 5 as it costs nearly double (\$260M) the Proposed Project (\$134M).

Commission Should not Approve Alternative 5 (Environmentally Superior Alternative)

- ❑ Although labeled as the Environmentally Superior Alternative, Alternative 5 has significant and unavoidable adverse impacts on the environment as does the Proposed Project.
- ❑ SDG&E admits that the Proposed Project and all of the Alternatives will result in significant and unavoidable adverse environmental impacts. **[SDG&E's Opening Brief]**
- ❑ According to SDG&E, the Alternative 5 would more than double the amount of undergrounding for the project and could double the cost to ratepayers. **[SDG&E's Ex Parte Communication]**
- ❑ According to SDG&E the Alternative 5 would likely delay the in-service date of the SX-PQ project between 10 months and 16 months. **[SDG&E's Comments on DEIR]**
- ❑ Even SDG&E believed "it is in ratepayers' interest to approve the proposed project rather than incur significant additional costs to mitigate impacts that are largely temporary construction-related impacts or associated with the aesthetics of placing the project within an existing transmission corridor." **[SDG&E's Ex Parte Communication]**
- ❑ CEQA requires the decision-making agency to balance economic benefits along with other benefits in approving a project. CEQA Guideline § 15093(a), 14 Cal. Code Regs. § 15093(a).