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## SDG&E Energizes Sunrise Powerlink

### 117-Mile, 500,000-Volt Transmission Line Will Support Electric System Reliability This Summer

SAN DIEGO, June 18, 2012 /PRNewswire/ -- San Diego Gas & Electric (<http://www.sdge.com/>) (SDG&E) today announced that it has completed and put into service the Sunrise Powerlink, a 500,000-volt transmission line linking San Diego to the Imperial Valley, one of the most renewable-rich regions in California.

The completion of the nearly \$1.9 billion project culminates a rigorous, 5-year-long environmental review and permitting process and 18 months of construction that encompassed both overhead and underground technology as well as different climates and rough, remote terrain. The Sunrise Powerlink was the subject of an extensive regulatory review - a collaborative effort involving SDG&E and a number of state and federal agencies - considered to be the most comprehensive study of a proposed transmission power line in state history.

"Putting the Sunrise Powerlink into service is the final milestone in a complex and challenging energy project that ranks among the largest and most significant in the history of San Diego Gas & Electric," said Jessie J. Knight, Jr., chairman and chief executive officer of SDG&E. "Design, planning, construction and implementation of the project required scores of public hearings, detailed construction schedules to accommodate a wide array of environmental regulations and coordination of thousands of helicopter flights to ferry crews and material to the construction sites along the route."

Capable of bringing initially up to 800 megawatts of additional imported power into San Diego, the Sunrise Powerlink will play an especially important role this summer, as the line was originally designed to do. The transmission line will eventually carry 1,000 megawatts of power, or enough energy to serve 650,000 homes. SDG&E and the California Independent System Operator Corporation (ISO), the agency that manages most of the statewide grid, consider the Sunrise Powerlink one of the important mitigation measures that will help maintain electric reliability during heat waves without power from the San Onofre Nuclear Generating Station.

"The timing for completion of this important new transmission artery could not come at a more critical time," said Steve Berberich, president and chief executive officer of the ISO. "Sunrise Powerlink is more valuable today than when it was conceived because of the significant reliability benefits it brings helping to compensate for the loss of power from the San Onofre power plant this summer."

The Sunrise Powerlink consists of more than 110 miles of overhead 500kV and 230kV transmission towers and conductor, 6.2 miles of underground 230kV cable and a 40-acre, 500kV transmission substation, which reduces the voltage for use by homes and businesses. More than 4.7 million work hours were required to complete the project - the equivalent of 2,260 people working 40 hours per week for a year. Because nearly 75 percent of the tower locations required helicopters to set the tower structures for environmental reasons, it took more than 28,000 flight hours to complete the aerial construction.

"Keeping this project on budget and on schedule by reducing our construction timeline from 24 months to just 18 months is a testament to our employees and all those who worked on this major endeavor," said Michael R. Niggli, president and chief operating officer of SDG&E. "I am proud of their diligence, dedication and commitment to safety. I also extend my sincere thanks and appreciation to those who live and work in and around the various construction areas for their patience and understanding during this process. "

In the near future, the Sunrise Powerlink will deliver a significant amount of wind and solar power to San Diego. Over the past three years, SDG&E has signed eight renewable agreements for more than 1,000 MW of solar and wind power from projects in Imperial County; that green energy will be transmitted across the Sunrise Powerlink.

By 2020, 33 percent of SDG&E's power will be derived from renewable resources. In 2011, more than 20 percent of SDG&E's electricity was obtained from renewable energy.

"This vital infrastructure project and the construction jobs that were created as a result have revitalized the Imperial Valley region, which has experienced high unemployment for years," said Imperial County Board of Supervisor Gary Wyatt. "The Sunrise Powerlink, which now provides the pathway for local renewable energy projects, enables us to develop Imperial County's abundant renewable energy resources while also preserving our natural resources and native habitat."

#### **BY THE NUMBERS - Sunrise Powerlink construction highlights:**

- **13,200 tons** of steel = total weight of all 438 transmission structures. (By comparison, the Coronado Bay Bridge contains 20,000 tons of steel.)
- **1,135 miles** of overhead high-voltage wire = from end to end would reach from San Diego from San Antonio.
- **438 tower foundations** = concrete used would cover an entire football field to a depth of 12 feet.
- **1.3 million cubic yards of earth** was moved during construction = enough to fill the Empire State Building.

SDG&E (<http://sdge.com/aboutus/>) is a regulated public utility that provides safe and reliable energy service to 3.4 million consumers through 1.4 million electric meters and more than 850,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day. SDG&E is a subsidiary of Sempra Energy (<http://sempra.com/>) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego.

For more on the Sunrise Powerlink, please visit our photo (<http://sdge.com/newsroom/photos?topic%5B%5D=80&=Apply>) and video (<http://www.youtube.com/watch?v=3y-zWOZ1EHE&feature=youtu.be>) page

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## **San Diego Moves Ahead With 100% Clean Energy Community Choice Program**

The Southern California city of 1.4 million residents will announce later today that it is forming its own government-run power program.

**JULIA PYPER**

**OCTOBER 25, 2018**



*"This is not a partisan issue," said Republican San Diego Mayor Kevin Faulconer. "It's a 'right thing to do' issue."*

San Diego is on track to becoming the largest city in the U.S. to create a community-choice aggregation program, with a goal of 100 clean energy by 2035.

"This is not a partisan issue," said Republican San Diego Mayor Kevin Faulconer, at a Thursday event in Los Angeles. "It's a 'right thing to do' issue."

"And we're actually going to save dollars by doing it," he added.

The Southern California city of 1.4 million residents will officially announce later today that it is forming its own government-run power program, as an alternative to service from investor-owned utility San Diego Gas & Electric. The program is expected to lower electricity rates by up to 5 percent, and achieve 100 carbon-free electricity a decade before the state of California hits that milestone (<https://www.greentechmedia.com/articles/read/its-official-gov-brown-signs-100-clean-energy-into-law#gs.8TFSrm4>).

"There are Republicans out there that are smart and are going in the right direction, and they don't see [climate action] as a divided issue or a partisan issue...they see it as a people's issue," said former California Governor Arnold Schwarzenegger, who hosted the Thursday morning event at the L.A. Cleantech Incubator.

The San Diego plan is based on a sound business model and has backing from both environmental and business leaders, said Faulconer. The program is scheduled to be in place by 2022, and will automatically enroll San Diego electricity customers, although they can choose to remain with SDG&E. The proposal is still subject to final city council approval.

Mayor Faulconer's announcement comes shortly after the California Public Utilities Commission voted to increase the "exit fees" (<https://www.greentechmedia.com/articles/read/california-to-hike-fees-on-community-choice-aggregators-direct-access#gs.=d0nuv0>) that community-choice aggregators have to pay. CCA advocates have said the change will burden communities and stifle CCA growth.

San Diego has been weighing a move to a CCA model for several years as a way to meet its Climate Action Plan targets. SDG&E has been working with city officials on a counterproposal that would allow San Diego to contract for increasing amounts of renewables without moving to a CCA model. But on Tuesday, the utility withdrew

(<http://www.sandiegouniontribune.com/business/energy-green/sd-fi-sdgc-ccawithdrawl-20181023-story.html>) from those negotiations.

In a letter (<https://www.scribd.com/document/391440676/City-of-SD-Letter-FINAL>) to city officials, the utility said "there is no clear scenario" to develop a 100 percent renewables plan that would hold the city free from legal and financial liabilities for procurement contracts, as the city requested. SDG&E said it does not believe such an arrangement would win regulatory approval, "due to potential exposure to remaining SDG&E customers not covered in this program."

The utility also cited "significant and evolving legislative and regulatory actions related to energy procurement" as a reason for withdrawing. California recently passed legislation to materially expand direct access, and the California Public Utilities Commission is considering a new procurement model in light of the growing adoption of customer choice (<https://www.greentechmedia.com/articles/read/how-community-choice-aggregation-fits-into-californias-clean-energy-future#gs.XpgxQSE>). The CPUC is holding an en banc meeting on Oct. 29 to discuss recommended actions.

"These actions are just a couple of recent changes that will impact our ability to provide an alternative in the near term, even if the City's financial risk priorities were relaxed," SDG&E wrote.

Under the CCA model, SDG&E will continue to maintain transmission and distribution lines and manage customer billing, while the local government will decide what kind of power is purchased to serve the area. SDG&E's decision to cede control of energy procurement to the city, which represents around half of all SDG&E customers, comes despite its efforts to oppose and delay (<http://www.sandiegouniontribune.com/news/environment/sd-me-sdge-lobbying-cca-20180529-story.html>) the switch to a CCA.

California's three largest investor-owned utilities have opposed CCAs since they were first formed, but were barred (<https://www.jdsupra.com/legalnews/rise-in-ccas-in-cities-reshaping-84532/>) in 2011 from lobbying directly against them.

SDG&E and the City of San Diego will have to continue working together closely when the CCA takes effect in 2022, assuming that the plan doesn't somehow get derailed along the way.

Working with the utility is "a big part of what we're doing in terms of making that infrastructure, SDG&E, available for the electrification of transportation," said Mayor Faulconer. Cleaning up the transportation sector in particular will have a major impact on reducing carbon emissions.

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## San Diego City Council Votes 7-2 to Establish Public-Sector Energy Provider

POSTED BY ALEXANDER NGUYEN ON FEBRUARY 25, 2019 IN POLITICS | 2000 VIEWS

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Sunrise power link in the desert. Photo courtesy SDG&amp;E

The [San Diego City Council](#) voted 7-2 Monday to begin the process of establishing a public-sector energy provider to compete with companies like [San Diego Gas & Electric](#).

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Environmentalists have long supported the concept, known as [community choice energy](#). Proponents say a community choice energy provider would lower energy costs, introduce a new revenue stream for the city and offer choice in the often-monopolized energy market.

With the vote, the city will begin the process of establishing a joint-powers authority to provide energy throughout the San Diego region, with the intention of inviting the county's other jurisdictions into the fold as the program gets fleshed out. The council will vote to officially form the authority in the third quarter of 2019 if it adheres to the city's current timeline.

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While the concept of a community choice energy provider drew no resistance from City Council attendees, local labor representatives warned of the necessity to work only with unionized energy companies.

"Other CCAs in California include labor values like collective bargaining, project labor agreements, community benefit agreements and supporting a unionized workforce," said Gretchen Newsom, political director of the [International Brotherhood of Electrical Workers Local 569](#). "We urge the progressive members of the council to align San Diego with national progressive priorities and other CCA models and build strong labor provisions."

[Council President Georgette Gomez](#) said she would not support the joint-powers authority going forward if it does not contain protections for laborers and apprenticeship programs.

[Councilman Scott Sherman](#), who voted against the resolution, called a provision to work with only unionized labor discriminatory against non-union employers. He also suggested that the city sort out its ongoing issues with its Public Utilities Department before dabbling in a new public utility agency.

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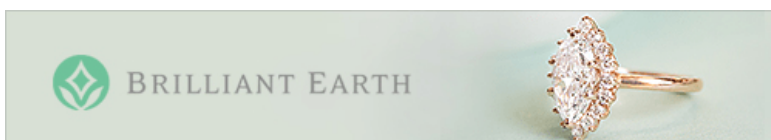
"I would like to see competition with SDG&E, I really would," Sherman said, "because I don't think a monopoly — whether it be a government- regulated monopoly with SDG&E or a government-controlled monopoly with CCAs — is the way to go. Let's have competition and let the open marketplace dictate and the customer will actually be the beneficiary in the end."

A community choice energy provider composed solely of the city of San Diego would have the capacity to serve roughly 600,000 residents and would be the third-largest in the state. A joint-powers authority including the rest of the county's municipalities would become the second-largest in the state, according to city officials. The Clean Power Alliance, which serves nearly 1 million residents in Los Angeles and Ventura counties, is currently the largest community choice energy provider in the state.

City officials estimate the program could have a total net income of \$1.75 billion from 2020 to 2035, with an average annual income of roughly \$110 million. The city also estimates that it could reduce its greenhouse gas emissions by roughly 50 percent by 2035 through the community choice program.

"At the end of the day, this will help us met our greenhouse gas emissions goals, it will lower rates for consumers, we will be able to reinvest in our communities and we will create good jobs for San Diegans," said Councilwoman Barbara Bry. "It's a win-win for the environment and for ratepayers."

If the city remains on its current timeline, the joint-powers authority would hire a CEO and CFO by the end of the year and begin hiring staff and securing funding in early 2020.



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City officials hope to have the project off the ground and providing energy in 2021 but would need to submit the proposal to the state's [Public Utility Commission](#) by the end of the year to make that deadline.

"For decades, San Diegans have only had one option on where they get their electricity," said Mayor Kevin Faulconer. "Community Choice will change that by injecting healthy competition into the marketplace, allowing customers to benefit from lower energy costs, and pick greener energy sources to power their home or business."

— *City News Service*

SAN DIEGO CITY COUNCIL VOTES 7-2 TO ESTABLISH PUBLIC-SECTOR ENERGY PROVIDER was last modified: February 26th, 2019 by Alexander Nguyen

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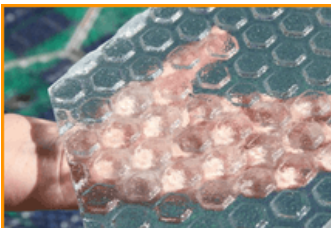
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# Utilities commission OKs agreement between SDG&E and Otay Mesa natural gas plant; critics say it's not needed



The Otay Mesa Energy Center, a 608-megawatt natural gas-fired power plant that supplies electricity to San Diego Gas & Electric customers. (Photo from Calpine)



By **Rob Nikolewski**

FEBRUARY 22, 2019, 1:55 PM

**A** divided [California Public Utilities Commission](#) approved a resolution Thursday that paves the way for San Diego Gas & Electric to enter into a power agreement with the Otay Mesa Energy Center, a natural gas-fired power plant that has supplied electricity to SDG&E customers for the past decade.

SDG&E officials say the proposed agreement — that runs just shy of five years — will ensure grid reliability and offers a better alternative than the prospect of the utility being forced to buy the Otay Mesa Energy Center, also

known as OMEC.

But the [Protect Our Communities Foundation](#), a San Diego nonprofit, insists the contract is not needed because California in general and San Diego in particular is looking to reduce its reliance on natural gas, a fossil fuel.

“I think this is a close question, one in which I struggled with,” said [commissioner Cliff Rechtschaffen](#), shortly before he joined a 3-2 majority in favor of the resolution.

OMEC is owned by a subsidiary of Calpine, an energy company based in Houston. SDG&E already has what is called a power purchase tolling agreement at the plant that runs for 10 years. The agreement is about to expire.

The commissioners, meeting at CPUC headquarters in San Francisco, had two options to choose from:

1. Approve the new agreement between SDG&E and OMEC that would start in October and run for 59 months (one month short of five years), ending in August 2024, or
2. Let Calpine exercise an option in its contract with SDG&E that would force the utility to buy the 608-megawatt plant for \$280 million, effective no later than April 1.

Calpine vowed to withdraw its option compelling SDG&E from buying OMEC if the commission approved a [“final and non-appealable order”](#) confirming the 59-month contract. SDG&E officials have said they prefer signing the contract to buying OMEC.

The monetary value of the contract was not disclosed because, under CPUC rules, contracts between utilities and power generators [remain confidential for three years](#). However, prior to the vote commissioner Liane Randolph described the contract as “high-priced.”

All the commissioners acknowledged the desire to wean the state off of natural gas but they struggled on which way to vote, largely because of the difficulty in predicting how much natural gas will be needed in the system five years from now.

Martha Guzman Aceves voted against adopting a new contract.

“We’re going to use the gas (at OMEC),” she said. “We’re going to continue to use the gas. So what is the cheapest way for the ratepayers to do it? I think it’s probably for SDG&E to own and operate” OMEC.

But Rechtschaffen worried if SDG&E ended up owning the plant, “it will mean a gas-fired power plant in our rate base for an additional 20 years because that’s the lifespan that we’re assuming (for OMEC). And furthermore, SDG&E doesn’t want to buy this plant.”

Genevieve Shiroma and Michael Picker joined Rechtschaffen in voting for the 59-month contract. Randolph joined Guzman Aceves in voting no.

“SDG&E appreciates the CPUC’s approval” of the agreement, utility spokesman Joe Britton said in an email, adding that it “provides an alternative to Calpine’s right to sell the plant outright to SDG&E. The contract will provide for necessary grid reliability during the next five years while the state transitions to a higher level of renewables.”

[Bill Powers](#), a board member of the Protect Our Communities Foundation, said the contract is unnecessary. “We do not need the capacity of OMEC,” Powers said, adding his group will submit an application for a rehearing.

“The whole thing is basically a mud ball that got pushed through without the scrutiny it deserved and we’re going to fight to get that scrutiny,” he said.

As per CPUC rules, challenges to commission decisions must be filed within 30 days of a vote.

SDG&E officials said any delays will likely result in Calpine exercising its option on April 1.

“The agreement is not binding until the CPUC decision is final and no longer subject to appeal,” Britton said.

The utility said any challenges to the CPUC’s vote could lead to SDG&E being legally obligated to buy OMEC for \$280 million at a time when California is moving toward deriving [100 percent of its electricity from renewable sources by 2045](#).

Powers dismissed that scenario.

“Like Yogi Berra says, it ain’t over until it’s over,” he said. “Just because April 1 comes doesn’t mean that a judge or an adjudicatory body is going to say, ‘Hey, you ran out the clock. April 1 is here. The deal is done, all your parties that feel that this was an injustice, go away.’ That’s not how it works ... They tell us they modify contracts all the time.”

The relationship among SDG&E, Calpine and OMEC is a complicated one.

In 2003, SDG&E was looking to buy another power plant — the Palomar Energy Center in Escondido.

[At a California Senate committee hearing in 2015](#), a former utilities attorney said one-time CPUC president Michael Peevey imposed a quid pro quo — making it clear to SDG&E officials that if they wanted approval to acquire the Palomar power plant, they would have to sign a 10-year contract worth \$740 million with Calpine to buy power from OMEC.

“It’s important to relay to the Legislature that while it’s problematic, what’s more problematic is that it was business as usual,” said Kelly Foley, who was a lawyer for SDG&E sister company Sempra Energy Resources in the 2000s, during the committee hearing.

[The CPUC in 2006 approved](#) the 10-year power purchase agreement between SDG&E and OMEC. The deal went into effect when the power plant, located outside Chula Vista, opened in 2009.

Language in the contract was [later added that granted Calpine](#) a “put-call” option that included the right for Calpine to sell OMEC to SDG&E for \$280 million by April 1, 2019.

Powers and the Protect Our Communities Foundation filed a petition to the CPUC challenging the details of the contract. However, an administrative law judge with the commission filed a proposed decision earlier this month that recommended [denying the petition](#), dismissing its complaints as “broad and vague.”

If the commissioners agree with the proposed decision, Powers expects to challenge that decision as well, saying he hopes “the citizens of San Diego are slapping us on the back for avoiding either Calpine or SDG&E larding a bunch of unnecessary costs on their backs.”

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