

U.S. Department of Energy
Public Meeting on
Draft National Interest Electric Transmission Corridor Designations
San Diego
May 17, 2007

Meeting Transcript

David Meyer: I'm David Meyer from the Department of Energy, and it's my pleasure to welcome you to this public meeting. We're very glad that people turned out to give us their opinions and views about this draft National Interest Electric Transmission Corridor.

And I have with me Mary Morton. Mary is from our General Counsel's Office. She is the attorney who did the bulk of the legal analysis for our draft proposal. A word about myself, I'm a Senior Policy Advisor in the Office of Electricity Delivery and Energy Reliability. That means that, at least--I think what it means is that I'm duly authorized to give policy advice to everyone in the Department who's older than I am. So I am very pleased with that.

Also, we have several other people here from the Department of Energy who worked on the corridor analysis, and so Mary and I will be up here listening to comments. But if you have questions you want to put to some of our other people for sidebar conversations, I'm sure they will be available.

A word about our process for today. I'm going to make a brief presentation, giving you an overview of the corridor, the draft corridor, the rationale for it. Then we will have a period for statements from elected officials, and then we will go into statements from individuals. We're asking that these statements be kept to two minutes in order to be certain that everyone who wishes to speak will have an opportunity to do so, and if there is time remaining after we've gone through our first round of comments, then individuals will have the opportunity to provide supporting information or detail concerning their points of view.

We will take a break, a lunch break at 12:15 until about 1:30. Then we'll come back and we'll have another round of statements by public officials. And after they have completed their statements, then we will go on into further statements from individuals.

Before I go into DOE's presentation, I want to bring your attention to a document. This is the Federal Register notice that describes the corridor concept and the rationale for designation, both in terms of the Eastern Corridor and the Western Corridor. There are copies of this out front, or it's available online. And so if you want more detail on this proposal, this is the place to get it.

This is the authoritative version, there are also some appendices that are available, that they are available on our website that, provide the, the technical basis for this analysis. And so we have done, we have put everything up there that we have because we want people to be able to go to whatever level of detail they want in terms of reading about this draft corridor.

Mary Morton: And, I'll just add one more little--there are just a couple little technicalities about how we're asking people to prepare their written comments, and those are explained in the very first page of the [inaudible]

corridor project. I would like people to take a quick look. They're not very complicated, but for purposes of tracking, that's how we need you to send them in.

David Meyer: So now, to talk about the proposal itself. This slide gives some of the background to provisions in the Energy Policy Act that--I'm going to shorthand a lot of these slides, because I don't want to dwell at length on some of these things.

Perhaps the most important thing here is the second bullet that is the pattern of persistent underinvestment in transmission over a period of 25 years or more. And transmission investment simply has not kept pace with demand growth, so that the transmission infrastructure itself is antiquated and inadequate. And at the same time, a robust and adequate transmission system is vital to maintaining a, a system for delivering electricity to consumers that is both reasonable in cost and reliable.

And the final point I would make about this is that, even in an era where we are all increasingly carbon-sensitive, transmission continues to be important. New generation is going to, much of it will be sited distant from load, from the cities. And so this means that there will continue to be a substantial transmission requirement associated with development of new transmission--new generation capacity.

In recognition of these concerns about the adequacy and antiquated character of the transmission system, the Energy Policy Act of 2005 had many provisions in it that were pertinent to the transmission system. The Act requires states to consider adopting stronger demand- management/demand-response programs, requires DOE to set efficiency standards on a wider range of consumer products. But the most, from the perspective of this proposal here today, the most important elements in--the new elements added by the Energy Policy Act--First, there was the requirement that the Department of Energy, every three years, publish a national study of transmission congestion. And we published the first such study in August of 2006.

And then, based in part on the results of that analysis and comments received on it, DOE is authorized to designate the National Interest Electric Transmission Corridors in areas where consumers are experiencing adverse impacts from transmission congestion or transmission constraints. And that's essentially what we have proposed in the current draft corridors.

The effects of designation of a National Corridor are limited, and in our view, there are two main categories of effects. The first is that, the designation would indicate that, the federal government has concluded that transmission congestion in the affected area is a matter of serious concern, and that it requires prompt and effective attention.

The second major impact is that, under certain conditions, designation would enable the Federal Energy Regulatory Commission to exercise siting--exercise jurisdiction to site or approve the construction of transmission facilities within the boundaries of the National Corridor. But only under certain preconditions, it would not automatic--there wouldn't be an automatic grant of authority directly to the Commission.

In particular, the preconditions that are required, or that at least one of these preconditions must be met. That is, if the State does not have the authority to site the proposed project in the National Corridor, and there are some states that do not have that authority, but those states that do not have that authority, many of them are acting to fix that gap. If the State does not have the authority to consider inter-state benefits associated with the project--and there again, states that, some states are considering modifying their legislation in this respect, if the State, if the applicant does not qualify for a State Permit because it does not serve end-use customers in the State; if the State has withheld approval of the project for more than one year; and finally, if the State has conditioned its approval such that the project would not significantly reduce congestion, or would not be economically feasible.

And there are further tests, further requirements that the Federal Energy Commission would have to meet before it could approve the construction of a facility within a National Corridor. It would have to find

that construction of the Project is in the public interest, that it would benefit consumers, that it would make maximum use of existing corridors and existing structures and facilities within the area.

So that my point is that exercise of jurisdiction by FERC in these areas is--should not be assumed as something--an inevitable outcome. There are many other ways that this process could play out.

Now there are several--it's important to note that there are several things that designation does not do. It does not determine how the affected area's congestion problems should be resolved. In making a designation, the Secretary is not proposing, directing, ordering, or authorizing anyone to do anything. And we are certainly not endorsing particular transmission projects. Review and approval of transmission projects remains fundamentally a matter of State authority. And as I've outlined before, there are now certain pathways under which FERC could become involved. But things don't necessarily play out that way. Finally, designation would not circumvent compliance with any existing federal environmental requirements concerning transmission or other facilities.

So, so far as today's meeting, we're not here to debate the merits, pros and cons, of the existing Energy Policy Act. And we're not here to talk about the merits of particular transmission projects or non-wire solutions to congestion problems. We do wish to hear your views about whether designation of a National Corridor in the general area is appropriate. And if so, where its boundaries should be drawn.

This is the area of the National Corridor. The orange area is a--what we--what the Department in its August 2006 Congestion Study termed a critical congestion area. And it--a word about what that means. It means that, within that orange area in particular, there is what you could call an imbalance between electricity demand and generation capacity within the orange area, and ability to use the transmission system to import electricity from outside the orange area so that there is a difficulty of supplying electricity to the orange area in a way that is reliable and economic.

The broader shaded area is what we are proposing, or what is the draft National Corridor area. And it, in drawing the boundary for that larger area, we took into account where, either where existing generation capacity is that might serve the congested area if additional transmission capacity were provided. But we also, took into account where new or presently undeveloped renewable resources are located that, if developed, could serve the congestion area. Again, if sufficient transmission were developed.

And I also want to emphasize that we recognize fully that there are non-transmission solutions here, that generation can be sited close to load. Doing so often raises its own problems, whether air quality problems or water requirements, land use issues associated with generation facilities in urban areas and things of that sort. And similarly, we recognize fully that there is a place here for demand management and demand response programs. As I'm sure you all of you are aware, California has pursued those options energetically and will continue to do so. The question is what should be the balance among these three possible ways of dealing with congestion.

So this slide summarizes the points that I've just made except that I would add the final one, the bullet at the bottom. That is, there is a time clock that is ticking here. We don't have unlimited time to talk about these things. There is a need to move ahead with timely decisions and effective actions. And there is a time to talk and debate and think about this stuff, but nonetheless, one has to keep an eye on the clock and deal with the problem.

And this slide shows some of the transmission pathways into Southern California. I want to give thanks to the California ISO for their letting us use this slide. We added some additional information to it, but it is fundamentally their slide and it's been very useful. There is congestion on these lines in Southern California, these pathways into Southern California.

Let me--I guess I haven't yet given you a technical definition of transmission congestion. That is the condition when, that arises when it is not possible for electricity buyers, wholesale buyers or sellers to put all of the electricity on a given transmission line that they would like to. They can't do so, as the line

simply can't safely carry that load. So in that situation the buyer in particular has to turn to alternative suppliers, and in so doing, there are frequently higher costs. Reliability concerns come into play. And a diminished range of fuel sources and a degree of dependence on particular suppliers. So we are seeing congestion on these pathways from outside California into California, southern California in particular. And then there is also transmission congestion within southern California alone.

The duration of the corridors is something that we do want to get comment from people about. We have proposed designations of 12 years, unless otherwise specified by DOE. We recognize that we're apt to deal with a wide range of fact patterns and situations and so we feel that it is important to take those elements into account in determining a period. So we've put, we have proposed 12 years, but the law is silent on this subject, and if people have views that they want to express, we would certainly like to hear them.

At the same time, we feel that it is important to preserve some latitude so that designations could be renewed, modified, or rescinded by DOE after notice and consideration of public comments. So the point here is that these designations are not intended to be permanent. They're intended to be in place as long as there appears to be a strong public interest benefit from having them in place.

I want to point out briefly that the blackout risk is real. This is probably not something that I need to emphasize much to this audience. Let me go on. This slide summarizes the points that I've been dwelling on here. I won't repeat them.

Our next steps for DOE--we are in the middle now, or early stages of a 60-day comment period. That comment period closes July 6. After the close of the comment period, DOE will review all of the comments, and we will provide recommendations to the Secretary concerning possible designations. And if a final designation is issued, there would be an automatic 30-day period for possible reconsideration.

In terms of providing comments, all the comments received today will be recorded and added to our public record. If people have questions, they can present those questions to me, or legal questions should go to Mary. Full documentation concerning the draft corridors is available on the website that's cited here. And we welcome written comments. People who speak orally here today, due to the time constraints, you can only give us the headlines, but, of your points of view, your recommendations/suggestions to us. But we encourage you to provide additional detail in written form. But the comment period does close on July 6.

So with that, I'm going to stop and we'll start now with statements from public officials. And I will, I haven't yet introduced Jody Erikson. Jody is from--she is our facilitator today. Jody is with the Keystone Center, which is based in Denver. And Keystone has a reputation well known across the West, in particular, for dealing with difficult energy and environmental issues. And so, Jody has long experience in working with these kinds of questions. Jody?

Jody Erikson: Thank you, David. My name is Jody Erikson from the Keystone Center. We do mediation facilitation work, from public meetings like today to consensus building efforts with stakeholder groups in issues from energy to transportation, to health and natural resources. We are based in Colorado. We also have an office in D.C., folks in Massachusetts and Santa Fe. So we do this work across the country for lots of different agencies, from federal agencies all the way to state and local agencies.

Process. So this is what I'm here to help you with. I dressed for San Diego, sunny San Diego and I see those of you who are here dressed more for the June gloom. The process today. Each person's going to have two minutes to speak. My job is to let you know when that time is coming close. I have little cards, so you can either read them--orange, you get 30 seconds left, and red is the "Thank you very much" or "It's time to go."

Be respectful. This is an opportunity for everyone to be able to voice their comments, all the public to voice their comments, so stick to the two minutes to make sure that everyone gets their opportunity.

There's lots of different thoughts and thinking and opinions about these, so make sure to let all those opinions be heard.

The most useful comments for DOE are probably those comments that are going to help DOE understand the impact of designation to you. I know, having read many of the comments, that some of them are about particular lines in your back yard. And since this isn't a siting-specific hearing--this is about the designation--help DOE by making that link between the designation and how that policy is going to impact you. But it's not a siting-specific meeting.

What we will do is we'll start with the public elected officials and then move on to those who have been pre-registered. Your name will get called. If you're not here, I will probably call you again. And if you've gotten called one or two times, we'll probably call you at the very end.

So let's go ahead and get started with the public officials I have that are pre-registered. Too many pieces of paper in my hand. Jack Feller, are you here? Okay, we'll call him again. Zachary Schlagel for Congressman Filner?

Zachary Schlagel: Good afternoon. Thank you for hosting this public meeting. I'm here representing Congressman Bob Filner, who represents all of south San Diego, as well as Imperial County. This afternoon we'll provide a brief statement on his behalf.

Dear Secretary Bodman, thank you for the opportunity to express my views on the Department of Energy's recent designation of National Interest Electric Transmission Corridors--specifically, the designation made for all of southern California.

I have joined with my colleagues, Congressman Frank Wolf and Congressman Maurice Hinchey on bipartisan legislation that would block the DOE's proposal. I am opposed to these designations because they allow the federal government to exert their authority to push through [inaudible] transmission lines in an entire region, instead of selecting and justifying specific corridors. In addition, these designations allow private utilities to condemn private lands for the use of eminent domain, even if State authorities have determined that the transmission line is unnecessary.

On a local basis, this designation would allow San Diego Gas & Electric to push the proposed Sunrise Powerlink Project through, despite community opposition and the need for a transmission line to traverse through designated wilderness lands and the Anzo-Borrego State Park. Thus far, the DOE has ignored the California Public Utilities Commission, which has publicly stated that the NIETC is unnecessary, and that claims of transmission congestion unfulfilled in California are exaggerated. The designation of NIETCs was more like a partisan favor to friends than a coherent strategy for assuring the reliable flow of power in southern Californians and throughout the nation.

I am strongly opposed to this designation; I will continue to fight it in Congress. Thank you for your time, and I'll be happy to provide this to them and if you need any further information, please feel free to contact the Congressman directly, thank you.

Jody Erikson: Thank you. Joe Mercurio? Sorry, I think I said that wrong, and then Larry Grogan. Maruca, my apologies.

Joe Maruca: My name is Joe Maruca. I'm County Supervisor for Imperial County. And our issue at this point is air quality in the county. We are severely impacted by several issues--PM10, CO, carbon monoxide and NOx. PM10, which is fine sand particles, simply because of where we live. And we also, on the border there that really doesn't know any borders, with a city of over a million people in Mexicali, with a myriad of unpaved roads.

But our issue is that recently there were two power plants built in Mexicali--and built with the best technology. However, we had to force one of them to put the scrubbers on. Yet, there's still no offsets as

a result of that. There's also a very convenient LNG line that Sempra brought across from the, is bringing across from south of Rosarita Beach. And there's more plans over there--I don't know who's going to do it--but our Mexican counterparts assure us that there will be a myriad of power plants along that border for a number of reasons.

And I can tell you that there are no lines going south of Mexicali on the mainland of Mexico at this point. But the LNG is there for a reason, and the Mexicans are going to take advantage of that. Our issue is that we must have some assurance that Mexican power, if it comes across that line, must meet California standards, which include scrubbers as well as offsets. And the line that you're talking about is going to be a convenient satellite to get those lines of power across. There's already power coming across, so we need, we need to take that into consideration for our best interests and our children. The highest rate of asthma is in the state of California.

Jody Erikson: Thank you. Larry?

Larry Grogan: Thank you. I serve as the Chairman of the Board of Supervisors for Imperial County. And if there's anything that I'd like to stress today, it's quite frankly, our lack of trust in the government process. It doesn't come as a surprise.

For an example, we went through the process of the EIRs for the two power plants in Mexico and [inaudible]. We were, tried to be assured that the air pollution from these two plants, one of them completely unfettered with pollution controls, would not come two miles north across the border. There was this magic barrier. They even had wind studies that showed no pollution would come across, as if we have a complete, enclosed airspace.

We have a second line that was scheduled to come through the valley with the LNG. As Mr. Maruca said, we do, have worried that there is going to be additional power plants in Mexico. We have no problem necessarily with taking green power out of the Imperial Valley. We have probably the greatest untapped resource in the state of California. At the Salton Sea there is currently about 400 megawatts of power online, we have approximately a reservoir capable of handling a total of 225--or 2,500 megawatts to 3,000 megawatts of power at the Salton Sea. We have abundance of solar ability to, probably have somewhere in the neighborhood of 200 to 300 megawatts, 300 green megawatts.

But there is no assurance at this point that this line will be filled with green energy. Sempra and SDG&E have done everything they can to prohibit us getting legislation passed that new power plants--new power plants in Mexico--must be either air pollution controlled with offsets, or that we ask for mitigation in the way of bills per kilowatt hour so that we can do our own process. And they have done everything they can to prohibit that legislation.

So when they say, "Are you going to oppose taking green power out?" our real question is, "Is it going to be green power or is it going to be Mexican power?" Thank you.

Jody Erikson: Thanks. Deanna Spehn and Jonathan Hardy.

Deanna Spehn: Good morning. I am Deanna Spehn, and I serve as Policy Director for State Senator Christine Kehoe, who represents this area in the California State Senate. I have a brief statement to present on her behalf.

In my capacity as Chair of the Senate Committee on Energy, Utilities and Communications, I am keenly aware of how important a well planned and efficient transmission grid is to this state. We have experienced first-hand transmission bottlenecks created by increased demand and the disruption of power transmission as a result of natural and manmade disasters. As a leader in this state's energy policy, I see no need or justification for the federal government designating congestion corridors anywhere in this state.

The State of California is unique in its energy infrastructure. Long before the Energy Policy Act of 2005 and the release of the Department of Energy's National Electric Transmission Congestion Study, this state developed and implemented a proactive and comprehensive transmission expansion planning process, which is spearheaded by the California Independent System Operator. This process involves the California Energy Commission, which forecasts loading, CAL ISO, which develops an annual detailed plan that includes necessary enhancements and additions to the grid, the California Public Utility Commission, which reviews and approves new transmission projects, which are part of the grid charge, and investor- and publicly-owned utilities.

Most recently, the legislature had further enhanced the process by permitting the Energy Commission to identify feasible transmission corridors where one or more future hydroelectric transmission lines can be built consistent with the state's infrastructure and environmental quality needs. Each of these entities were thoughtfully and collaboratively developed to coordinate a planning process to streamline the development of energy resources for the state. The process provides for the development, approval, and implementation of key transmission projects to assure reliable electric service that supports California's resource preference policy.

In short, we have the capacity to meet our capacity. Thank you.

Jody Erikson: Jonathan Hardy--and Joe Kocurek.

Jonathan Hardy: Good morning, my name is Jonathan Hardy and I'm here on behalf of California State Senator Denise Moreno Ducheny. I have a letter here that I will present to you as well as a briefing later. And the letter goes like this.

Dear Secretary Bodman, I am writing to express my opposition to the U.S. Energy Department's proposal for two National Interest Electric Transmission Corridor designations. Specifically, I'm concerned about allowing the Federal Energy Regulatory Commission--FERC--to overturn California's decisions regarding designation of new transmission lines and corridors, thus allowing FERC additional powers of eminent domain.

It is imperative that the State of California maintain full sovereignty over planning of our energy needs and for pathways for distribution of those needs. The State of California's environmental rules and regulations are among the most protective in the nation. Allowing FERC to override California's [inaudible] in the decision-making process would be detrimental, not only to our environment, but also to the public participation process.

In addition, allowing FERC to usurp California's position process would set a major precedent for the federal government to further infringe on our State's rights. I am fully aware of how energy resources and energy planning are essential to the capability of our state and country. However, infringement on California's regulatory and review process should not be an option. I'm also concerned with the potential conflict of interest that transmission corridor designations could create. It is important to avoid situations that permit private utilities interested in developing energy projects within California to join together with federal agencies to bypass State regulatory requirements.

Granting FERC nearly unlimited powers of eminent domain and exempting them from state environmental laws is a step in the wrong direction, jeopardizing our already limited natural resources. This should be avoided at all costs. I would like to thank you for allowing me the opportunity to share my views with you today. Thank you again.

Jody Erikson: Thanks. Joe?

Joe Kocurek: Hi. I'm Joe Kocurek. I'm here on behalf of Assembly Member Lori Saldana, who's a member of the Assembly Natural Resources Committee, and this hearing is being held in her district. I have a letter to read on her behalf.

Dear Secretary Bodman, thank you for the opportunity to speak on the incoming special designation by the DOE of all southern California, parts of Nevada, parts of west Arizona in the National Interest Electric Transmission Corridor. My primary concern with this designation is that the federal government would be [inaudible] by eminent domain, regardless of whether the State authorities determine this transmission line necessary.

San Diego has its own regional energy strategy approved by the San Diego Association of Governments. The summarized [inaudible] will result in less injury in regions in [inaudible]. I believe that overturning an authorized body, for instance, the PUC, to authorize a decision about bringing resources are unnecessary and heavy-handed use of federal power for the benefit of purely private interests. The NIETC designation seems more like federal overreach than a strategy for ensuring a reliable zone of power in southern California. I strongly oppose this designation. Respectfully, Lori Saldana, Assembly Member, 76th District.

Jody Erikson: Okay we're going to start in on the pre-registered folks. Larry Chapman. I'm going to read a couple of names, and as soon as I see somebody stand, you'll know the order. But I'll recall them--so Larry Chaset and then Scott--I'm sorry, Scott, I know I talked to you on the phone, thank you. And then, George Courser.

Larry Chaset: Good morning. I'm Larry Chaset with the California Public Utilities Commission. I thank you for the opportunity to be here and speak with you this morning. The DOE's proposed corridor in the Southwest is a series of problems, and an overreach from what Congress authorized under the [inaudible]. A hundred thousand square miles of the southwestern United States cannot be called a "corridor" by any stretch of the imagination.

But moreover, we think that your proposed designation has ignored some of the key realities on the ground in southern California. The Western Congestion Area Task Force Report, on which your congestion study was based, identified the Colorado River east and west as the most serious constraint facing this region. And if you look at page 154 of your notes, you'll see a bigger decline north-south there than east of the river and across west of the river constraint. [inaudible] published in the planning group here in the Southwest, identified the Devers-Palo Verde Two Project as the project needed to alleviate the constraint.

We told you about this in our comments last October. And we said that a decision on that project was nearing a decision. That project has now been approved in the California house by the California Public Utility Commission. Apparently you folks didn't follow up on our alert that this was happening. We understand that the Arizona Corporation Commission has the Arizona Department of Parks for it next, next couple of weeks.

The bottom line is that major congestion that's addressed in your congestion study will be alleviated by this project. We oppose the designation that you're proposing. We have a collaborative regional transmission planning process here in the West. We think that your designations will interfere with it and disrupt it. We think however, there are a couple of positive useful things the DOE can do.

Number one, you can better coordinate among federal [inaudible] stage. In an MOU you put out a number of months back, we've looked at that, you can do more. The effective thing you should do is use the [inaudible] process that we've deemed a very productive process, identify--if you feel you need a way to identify corridors, put the NIETC in the 368 Corridor in the congested region. You should not designate the huge swath that you propose. Thank you.

Jody Erikson: Thank you. Scott and then George and then Jack Feller.

Scott Cauchois: Good morning and welcome to San Diego. I'm Scott Cauchois of the Division of Ratepayer Advocates of the California Public Utilities Commission. But I'm speaking here this morning from a different

perspective and that is solely as co-chair of the Western Electricity Coordinating Council's Transmission Extension Policy Planning Committee. So I'll start with the lot of acronyms, TEPPC. Lee Giardini of the Salt River Project in Arizona is the TEPPC co-chair and is also here today, as are several of our members, which come from all over the western United States.

We appreciate the effort and clearly, the difficulty that the DOE is undergoing in trying to implement provisions of the Energy Act of 2005 pertaining to Special Interest Electricity Transmission Corridors. TEPPC provides impartial and reliable data of the process leadership and analytical tools and services to help meet the needs across the entire Western Interconnection for regional economic transmission planning and analysis.

Our members represent a spectrum of stakeholders from the entire West, including all the sub-regional planning groups in the West, state commissions, generators, consumers and the environmental perspective. The Western Congestion Assessment Taskforce, which assisted DOE in its inaugural effort to examine congestion and transmission needs in the West, has now passed the, passed that function over to TEPPC. And TEPPC will be working with DOE on the 2000 study update. TEPPC is not advocating for or against draft corridors. Rather, our role, as I said, is to facilitate provision of accurate information and an understanding of technical analysis.

TEPPC's regular quarterly meeting is scheduled for today in Salt Lake City. It's been put off until tomorrow in San Diego, strictly to accommodate this meeting. Tomorrow we are going to be considering follow-up written comments to the corridor draft. Thank you very much for the opportunity today.

Jody Erikson: Thank you. Folks, if you're coming up to speak, we're doing a webcast, so make sure you're speaking clearly and into one of those mikes. George Courser, are you here? Great. And then Jack Feller, and then Joseph Beckman.

George Courser: Well good morning. Welcome to San Diego, for your Department being here [inaudible]. I'm George Courser. I represent the Backcountry Coalition. We're an organization of concerned citizens dedicated to the protection of natural cultural [inaudible] resources and responsible land use planning and the enhancement of quality of life throughout Imperial County.

This hearing has been predicted for years, and the Backcountry Coalition appreciates the opportunity to speak to the DOE's intended action. At hand, I have a 15-page document, a letter, from December and March of 2006. This letter urges the DOE's pronouncement of an NIETC corridor in San Diego. Boiled down, December's letter is a request to change the very criteria for corridor designation.

It asks for a status of national defense and homeland security. It's noteworthy of this last-ditch effort to resuscitate the Sunrise Project, that the current budget was the initial indication the Sunrise would be uneconomical and an environmental disaster with ratepayers footing the bill. This is a transparent dodge to those who were following the Sunrise Project. However, the DOE apparently accepted this unilateral call as a fact.

We urge an independent review with the obvious solution of secure local generation given the highest priority. We find it amazing when, considering the single largest development project in San Diego's history that the federal government intervened, not for the property owners, not for the citizens, and not for the wildlife habitats, but on behalf of the very industry they're mandated to regulate.

This conflict of purpose and interest is in force with a standing threat of pre-empting California's PUC title authority, seeing that it effectively refuted the DOE findings of congestion in southern California as exaggerated, premature and overly pessimistic.

Pursuit of the NIETC Corridor in our region has degenerated into a political arena where ratepayers are guaranteed to be the losers. These [inaudible] have demonstrated [inaudible] do not proved economical, reliable or indeed even meaningful. What it will cause is a massive windfall for parent Sempra, who is

exploiting the regulated market of SDG&E to put in unregulated, Mexican energy across the border to feed energy markets far from San Diego.

SDG&E ratepayers will underwrite the cost of Sunrise, which will provide the infrastructure to possible to convert Sempra's Mexican LNG fossil facility into an actual fuel gold mark. The pipeline to Mexico is almost completed, and it allows U.S. non-regulated plants to spew tons of combustion waste that has real [inaudible]. We exhort the DOE to make a thorough investigation of Sempra's Sunrise project under the Sherman Anti-Trust Act, focusing on Sempra's exploitation of SDG&E's monopoly status, and further, the retail and wholesale market dominance through the Sunrise Project.

We certainly saw the deal respected over and of the CPUC allowing the state agency to decide with all the impacts of [inaudible], and abide by their decision. Thank you.

Jody Erikson: Thank you. Please, please keep to your two minutes. I don't want to sit there and distract you and make you go longer, so please keep to your two minutes. Jack Feller, Joseph Zeckman, and then William Claycomb.

Jack Feller: Good morning, I'll try to be brief in my two minutes. Welcome to San Diego. I'm a City Councilman in the City of Oceanside. I hope your next visit here is to Oceanside and is pleasant.

Our families and businesses are relying on political and community leaders working with SDG&E to develop a twenty-first century electric grid. And then the Department of Energy and other energy experts have found our grids are [inaudible]. The experts agree that the Sunrise Powerlink is needed. The California Energy Commission and the California Independent System Operator, which manages the State's energy grid, both strongly support the Sunrise Powerlink.

The last major transmission line was built in this region more than 24 years ago. It's not easy for local governments and communities to support large-scale infrastructure projects like the Sunrise Powerlink. But tough decisions need to be made in order to provide for this region.

As a former restaurant owner, I had suffered a blackout and spoiled food because it just wasn't, it couldn't get back online quickly enough. We can't have that. We can't bury our heads in the sand and just hope the lights will come on. We must work together and support needed projects like the Sunrise Powerlink. So I'm here to send a message that this region supports transmission lines, and we need that quickly to improve this process. Thank you.

Jody Erikson: Thank you. Joseph Zeckman, are you here? William Claycomb? Great. Ashar William, Laura Copic? Okay I'll call her again. Diane Conklin? Great.

William Claycomb: My name is William Claycomb. I'm speaking on behalf of SAVE OUR BAY, INC. We think we should do away with transmission as quickly as possible. And there's a way to do it. In 1999, KPMG and another one did a study and if they would build a 500-megawatt capacity [inaudible] solar cell and [inaudible] with a factory like that, side by side, you could be able to sell those panels, then, for \$1,974 a kilowatt. Well, right now anybody that would put it on their rooftop in San Diego is paying between \$8,000 and \$10,000. And if they should get that for \$1,975 a kilowatt, their electricity costs will drop to \$0.78 a kilowatt-hour.

If you don't have the transmitter, you can put it on your own rooftop. You can generate as much sun time, same as [inaudible] for years. So the way to go is not to build more transmission lines, it's to build more solar collectors. And it could be done and could be done cheaper.

Jody Erikson: Thank you. Diane Conklin, Jerry Levin, Pat Sterling, are you here? Pat Larson--oh, sorry, Pat Heron, Donna Larson? I'll move right through this, quickly through this one. Okay, good.

Diane Conklin: Good morning, my name is Diane Conklin. I live in the backcountry of San Diego, a town called Ramona. I'm here representing my own little neighborhood association the Mussey Grade Road Alliance, and I'm interested in the teaching you've seen on the Sunrise Powerlink issue before the Commission at this time.

I also am representing CUSP, Communities United for Sensible Power, which is a grassroots coalition of communities from the desert to the coast. And we oppose SDG&E's Sunrise Powerlink proposal for a 500-megawatt transmission line that they would like to have, not only have but designate as an NIETC.

I had written a letter to the DOE on behalf of CUSP, which I'll give you a copy of. But before I do--and I'll tell you about it--but before I, do I'd like to bring to your attention March 6, 2006 letter by Jim Avery, who's sitting over there, Vice President of Electric for SDG&E. And if I'm talking very fast, it's because I have to.

At any rate, in this letter, SDG&E asks for the area that they would like to have, from the Imperial Valley out and to the San Diego coastline be designated an NIETC, and we object to that. And we object to it because it is not--the line is not necessary, and neither is the corridor. And by the way, I have never seen corridors that are square miles wide. You ought to change your nomenclature. Take it back to D.C.

Okay. On with it, but with regard to the issue of the line itself and the corridor. If the involvement of the federal government in a particular proposed transmission project involves national security questions, it appears to us, the communities on the ground, that our national security would not be increased by the proposed line, due to the fact that this line has been used to import electricity from a foreign country, Mexico, and therefore creates national security risks, rather than decrease them. That is a very important issue, importation of our electricity. We would be essentially offshoring our electricity with an extension cord all the way to the Pacific Rim, to Indonesia and other places for LNG Gas that would fuel the plants across the border. The ultimate transmission line promises to be a very bad idea. Beyond community and environmental issues, it's aligned to cost ratepayers from \$1.3 billion, and that doesn't count the \$1 billion or more that SDG&E will make on holding the paper.

Lockhart region interim accepted and [inaudible] to expand this energy boondoggle that will work against new ideas and soak up ratepayer assets to implement new energy solutions in the bargain. In other words, our money will be taken up by this line instead of us going forward with new solutions for energy. We all know about global warming. We all know it's a problem. We all know that something needs to be done. This line is not part of that, and I don't think that the designation of this line as an NIETC would help anybody.

The line will not guarantee the elimination of another high-cost energy crisis in the future, because we understand that California's 2000/2001 energy crisis was not due to lack of energy, but manipulation of energy markets, including by Sempra, the parent company of SDG&E, and could happen again. Please don't tell us about the lights going out. We know all about the lights going out, and we know who put them out.

I want to talk again. I understand if you have more space and time this afternoon, that is an option, and I would like to [inaudible]. Thank you very much.

Jody Erikson: Jerry Levin, giving you a second round, Jerry Levin. Pat Herson, Don Larson? Great, Asher Zon, Judith Withers? Can't tell--is that you, are you Judith Withers? Okay.

Don Larson: My name is Donald Larson. I'm speaking as a private citizen and a long-time resident of San Diego County. After reviewing the draft Southwest Corridor, I've come to speak against this designation and to argue that local generation is superior to long-distance transmission.

First, the August 2006 congestion study inappropriately refers to the existing southwest power grid. Sempra has collected congestion payments by using this claim to send energy to Southern California

Edison customers to the north at the same time that it's applied in San Diego. This congestion goes away when the contract expires in 2011.

An arbitration panel ruled that Sempra acted in bad faith by delivering electricity just to points on the power grid. We should not now use the Sempra cost congestion as a reason for designating the Southwest Corridor. Second, energy trading companies like Sempra want transmission infrastructure to move electricity to distant markets for arbitrage trading. The transmission lines waste electricity in the heat. It is best to generate power near the area of use. Sempra's new 550-megawatt Palomar generating plant serves the surrounding communities more efficiently, reliably and with vast less environmental damage than what a new 150-mile transmission line from Mexico or Arizona.

The costs of the proposed Sunrise Powerlink alone could pay for three local Palomar type power plants. I urge you to withdraw the draft Southwest Corridor. Please encourage local and diverse power generation alternatives, which use a minimum of lossage, vulnerable and damaging long distance transmission.

Jody Erikson: Judith Withers, after Judith, Gideon Singer? Stu Clarion, Corcoran?

Judith Withers: My name is Judith Withers and I'm here representing the small business growers [inaudible] G&D in the wilderness of San Diego County. I'm here today to urge you on behalf of all citizens of San Diego City and County in opposition to the draft Southwest Corridor. San Diego already has its own energy plan, the San Diego Regional Energy 2030 Plan that utilizes end-station generation using new existing technology and renewable energy generated locally.

We have a very different challenge today than we did even in 2005. Priorities have changed, and it is becoming apparent that true energy independence is the only sensible alternative. It is predicted that in the twenty-first century, that less will be more and decentralization will become a new talking point. Energy should be generated and transmitted locally. San Diego's energy plan already implements this idea of decentralization, which will ultimately put the decision in a more secure vision, in direct contrast to the draft Southwest Corridor plan.

Localized energy independence is a far more secure idea than giant transmission corridors that trample over the rights of citizens and property owners and of states' rights as well. The citizens of San Diego City and County have not forgotten the role Sempra Energy played in the so-called energy crisis that occurred here in the city. We now know that the transmission lines were artificially congested to drive up prices and that these existing contracts will expire in 2010.

This will allow us to use new technology and modify existing transmission lines to be upgraded to carry more kilovolts. All this is far less expensive than the idea of the Sunrise Powerlink, paid for by the ratepayer. The Sunrise Powerlink will trample all over San Diego County from its treasured scenic drive into the wilderness. San Diego County has the world-famous Anza-Borrego State Park, which is not--has to be asked to forfeit what cannot be replaced, over what would be best for the shareholders of a for-profit corporation. Thank you.

Jody Erikson: Gideon Singer? Now we've got Bill, Bill Powers? Monica Argandona?

Bill Corcoran: Thank you. Good morning, my name is Bill Corcoran. I'm the Senior Regional Representative for the National Sierra Club in the Los Angeles field office. The Sierra Club opposed the Energy Policy Act of 2005 for many reasons. But the sweeping federal powers granted to the Department of Energy and the Federal Energy Regulatory Commission via Section 1221 are very near the top of the list for why we oppose this misguided legislation.

You are saying that you're not taking an action, but in fact are opening the door for further corporate control of America's energy future. It is a significant action. It's one that is stacked to play to corporate players who control the inside track on decisions that are made. And you owe the American people at

least a programmatic EIS on the impact of what your far-reaching decisions around this designation will incur.

Your draft designation further is usurping a state and local government authority and the trampling of laws meant to protect sensitive areas from development. The granting of eminent domain within the back areas that are designated will affect the fortunes of families and communities throughout the region. It is a heavy burden and you have failed to make a case for imposing it upon the people of this region.

What's the rationale provided for the draft designation? It amounts to special pleading by transmission partisans and utilities with an eye on corporate profits. Utilities haven't had to prove that a specific project is needed, continuously compared to maximizing energy efficiency, demand response, and distributive generation. Instead of providing a full analysis of alternatives, the Department of Energy designation overrides state and local authority and puts the interest of corporations fighting to control America's energy future over the interests of communities with a different and a better vision.

Among those affected communities are tribal authority. SDG&E has said it may need access to tribal lands and has spoken to those authorities--I'll be finished in a minute. SDG&E has aggressively lobbied you for its risky, expensive and basically [inaudible] projects to be given IDGC statement in the boondoggle. It's unworthy of that designation. It will ruin communities on the Borrego Desert State Park and numerous nature reserves that are the results of years of efforts by local citizens.

I have a few more sentences--there's so many people who couldn't be here today because of the lousy timing of the hearings.

Speaker: Very inconsiderate.

Bill Corcoran: No, I just want to finish one point, which is that--thank you very much. The Sierra Club strongly opposes this draft designation and is working with a growing bipartisan group in Congress to stop this designation. We can solve our energy challenges in California and we don't need the federal government's involvement, thank you for your patience.

Jody Erikson: Bill Powers? You Bill Powers? Okay, great.

Bill Powers: Bill Powers, a professional engineer in the Shared Border Power Plant Working Group. The main [inaudible] is SDG&E's is ostensibly a parent company of Sempra is not quoted but also sent a letter to in DOE December 2005, requesting critical corridor status for the power industry.

Sempra asked for a very specific favor in that letter, a favor of DOE's help in passing a line through Indian lands on Highway 76 in northern San Diego County. These Indian lands are north of the current proposed [inaudible] and Sunrise Powerlink. And will be used only to supply [inaudible] to the Los Angeles area.

SDG&E's industrial line going to Los Angeles is a common way to dispense of the DOE. However, we have had no discussions at the state or local levels about this line going to Los Angeles. It is unfortunate there is no mention by the DOE of the relationship between Sempra and SDG&E in the congestion study or in the Federal Register notice. Nor is Sempra's request for DOE [inaudible] to pass through Indian lands. This would be useful information to the La Jolla and Rincon Band Indian tribes, because it is their land.

There was no congestion on the existing Southwest Powerlink outside of the market-manipulated 2000/2001 period, until Sempra and other firms started their export power plants in Mexicali, Mexico in 2003. The California [inaudible] immediately ordered an export power [inaudible] from Southwest Powerlink. These export plants were located with no thought to the effect it has on nearly 1,200 megawatts of power brought overnight along lines designed to handle only 1,300 megawatts. Sempra

people have presumed that even the Utilities Commission or the DOE would be able to help out down the road with a new transmission line.

That's exactly what DOE will make happen with its designation--build a \$1.3 billion transmission line so it can invest its cost as Sempra pays it \$350 million. This would be an important federal bail-out program so private power developers can put their projects in the wrong place. Sunrise will allow an efficient 1,000 megawatts of power imports. It would be much more cost effective if DOE documents built 1,000 megawatts of combined cycle capacity locally. That is the stated preference of the San Diego Area Governments. This approach would alter pre-existing transmission lines to import [inaudible] power.

I hope that you will eliminate this designation of the Southwest Corridor. Thank you.

Jody Erikson: Monica Argandona, Scot Martin? Carolyn Morrow? Donnie Grendon?

Monica Argandona: Good morning. I'm Monica Argandona, and I am the Federal Program Director of the California Wilderness Coalition. The California Wilderness Coalition is convinced that the draft Southwest Area National Corridor, shown here in all of Southern California as a so-called corridor, is both unacceptable and illegal.

California's last remaining wild spaces are not appropriate sites for energy corridors. The 2005 Energy Policy Act does not exempt this project from our nation's long and vast environmental laws, such as the Wilderness Act, the Endangered Species Act, or the National Park Service or the [inaudible].

The draft corridor would allow intrusion into a multitude of our state's most cherished areas, including national and state parks such as the Joshua Tree National Park and Anza-Borrego Desert State Park. Federal and state designated wilderness and wilderness fed areas, including hundreds of thousands of acres of pristine desert and critical inventory roadless areas in our national forests.

These spectacular public lands provide clean air and water, recreational opportunity, a home for our wildlife, a buffer to fire threat, and a legacy for future generations. The final corridor must avoid all congressionally designated wilderness, Forest Service inventory roadless areas, wilderness study areas, [H&Q] recommended wilderness, national parks, national landscape conservation lands, and state parks.

Furthermore, the Department of Energy must conduct an Environment Impact Statement to assess the cumulative impact of future energy corridors and make sure that future projects are built along existing corridors and major transportation routes. Please remember--California's wild landscapes are irreplaceable.

Jody Erikson: Just quickly go back through. Scot Martin? Carolyn Morrow? Are you Scot Martin? Carolyn Morrow? Okay.

Scot Martin: My name is Scot Martin and I'm here speaking on behalf of Friends of Anza-Borrego Desert State Park, from here on referred to as Friends. Thank you for the opportunity to participate in this important public process.

Friends is an organization that advocates for the protection of Anza-Borrego Desert State Park. We ask the Department of Energy and agencies to oppose the request of San Diego Gas and Electric for the designation of the proposed and unpermitted Sunrise Powerlink National Interest Electric Transmission Corridor.

Friends hopes the agencies are looking to the future while paying attention to the present and learning from the past. Friends expects that the agencies will be consulting and following the recommendations of the three reports by the United Nations Intergovernmental Panel on Climate Change. Please help us move forward--with or without San Diego Gas and Electric--including San Diego at the forefront of sustainable

energy technology. It is not hard to follow the 230 kV power lines of the SDG&E proposal all the way from the [inaudible] substation east to San Diego backcountry, where the central substation is to be planted in the middle of the unincorporated community of San Felipe.

At this 80-acre substation surrounded by county preserved state lands and wilderness study areas, there is room for six additional lines radiating out. Just a few miles east of the central substation, SDG&E proposes a massive, 500-kV transmission line to be mainlined through Anza-Borrego Desert State Park to the existing and proposed power plants in Baja. From there you can follow Semptra's natural gas pipeline to their LNG facility in North Ensenada, in Baja California. Don't forget Phase II, known as the full loop, connecting the proposed central substation into Southern California Edison territory. We have more 500-kV transmission lines. Remember that all of the LNG is being mined and developed in Third World countries and shipped across the Pacific Ocean.

I've got a lot more, but I guess my time's up.

Jody Erikson: Thank you. Carolyn Morrow? Bonnie Gendron? Marshall Johnson? Andrew Pope? David Barnes? Aaron?

Bonnie Grendon: Good morning. My name's Bonnie Gendron. I'm with the Backcountry Coalition. We are opposed to corridor designation being made through San Diego because information you have received about energy capacity constraints is based on false congestion data that was provided to you. You have received much documentation proving congestion impacts in San Diego were artificially created, primarily to produce income for the utility.

To designate San Diego part of the corridor based on that false data would make you complicit in fraud. There are superior alternatives to the [inaudible] power lines projects for reliability, renewables and cost. Green power sources would not be built on seismically active Delta known faults in high [inaudible] corridors through wildfire-prone mountains and valleys. The cancer-causing EMF would not be a threat to the residents of San Diego County.

Green power sources would also promote the capacity to move renewables west. Without 150 miles of transmission losses, tomorrow's local generation plants would improve reliability. The \$1.4 billion cost of power would be avoided.

Global warming impacts of the power bank would be vastly reduced by eliminating polluting plants in Mexico and the cost of trans-Pacific shipping of LNG. The argument about national security is a ruse because our military bases have generators that kick in when power goes out. Due diligence by government agencies must be exercised in the interest of public trust and public well-being. The NIETC corridor would not be, would be bad for California and San Diego.

Corridor designation for San Diego would prove that your decision has been fixed around the false status of the business to you. Thank you.

Jody Erikson: Just to double check, Marsha Johnson. Andrew Pope? David Baron, who's standing in front of me. Scott Barnett, John Eric Nielsen?

David Baron: Good morning and thank you for having me. My name is David Baron, and I'm speaking to you today as a resident of San Diego, of the City. San Diego has seen significant population growth in the past 20 years and the recurring challenge it faces to provide the infrastructure needs to maintain our quality of life.

San Diego is a different place from 20 years ago. We've had incredible population shift. We now are starting to have new and larger freeways that are practical solutions to reactions to that growth. However, we have not seen that same growth in our energy supply. The rising demand for electricity in the region requires routine upgrades to our electricity grid, but in San Diego, we haven't modernized it significantly

or strengthened or upgraded it during the past 20 years. I appreciate the fact that the Department of Energy has become involved in the debate over the needs of some of our power links, and I agree that we need to build this new line now. The link will provide the redundancy and energy reliability to San Diego's homes and businesses, while linking us an abundance of renewable energy and incur real balance.

I can see first-hand the need for redundancy. I used to be employed by the Barona Band of Mission Indians, and when the Cedar Fire decimated the reservation and the communities that surrounded it, I became a de facto FEMA liaison. We had no [inaudible] generators for our wells, homes, tribal government center. Hourly gusts of fire, we had to clear the roads to bring fuel trucks to supply generators. In a few days FEMA brought in satellite communication systems for the phone that were made available for surrounding communities. Without the redundancy of generators, we'd have been without power for over a month. Think what that would be like for a whole region such as San Diego County. There's not a generator big enough for all the people [inaudible].

I encourage all the agencies and stakeholders involved in this debate to first consider how energy agency services such as the Department of Energy have been [inaudible]. Thank you for holding these hearings and thank you.

Jody Erikson: Great. And just to double-check, Scott Barnett? Okay, then John Eric Nielsen. Gary Knight?

John-Eric Nilsson: I'm John-Eric Nilsson. I live in [inaudible], and I'm particularly strongly opposed to this Sunrise Powerlink because I'm a member of Anza-Borrego Foundation and I know a physical State Park. And I'm also a member of the Sierra Club; I'm speaking for myself strictly. [inaudible]

It is real curious that the Bush administration and the Republicans in Congress would have proposed this legislation to take authority away from states when they have spent careers championing states' rights. And now because some corporations have this--made some bad petitions, they want to take the authority away from states, and particularly in the State of California, and it's a large state and that is strong enough to stand up against them, just if they like to. We don't know whether the State's going to do this or not. And that's another thing, what should [inaudible]?

And it's awful curious that the map that you show, it did not have the Sunrise Powerlink on it. That's amazing because, that's a 500-kilovolt line--that's what locals here are concerned about, this 500-kilovolt line that they have the right, that they don't want and that is not needed because there are other alternatives available. In San Diego, regional energy strategy, 2030 [inaudible] proposed to 2003 or with San Diego Gas and Electric for power and Sempra Energy. And that would provide for us for modernized plants here in the San Diego area and to have renewable energy like the governor's 1 million rooftop project.

Those are good alternatives, and we don't have any congestion, because we can generate electricity in our homes. Thank you.

Jody Erikson: Thank you. Just before Jerry gets up, I know a couple of you spoke to the Sunrise line specifically. Just to remind you, DOE isn't doing anything specific to that line. So talk about the designation, how the designation has an impact, how that clicks and connects together. Gary Knight? Jeanette Hartman? Michael Simeson, Mary Youngman? Great.

Gary Knight: Thank you for the opportunity to speak. The San Diego North Economic Development Council supports the building of additional transmission lines into the region. The role of the Economic Development Council is to attract business to this region and then to retain them. As the region's population continues to grow, bringing an increasing demand for energy, security and reliable and importable supply is crucial to California business and growth.

Having an additional transmission line designated to these corridors will be vital to our sustained growth. We're looking at adding on an additional million people over the next 10 to 15 years if these [inaudible]

predictions are correct. And understanding that the processes that are in place are vital to our determining these corridors and this transmission line, we need a process in which parochial interests do not override the needs of an entire community or our entire state. So we encourage the Department of Energy to continue moving forward with consideration of these corridors in an effort to provide the process that we all can use to ensure that we have reliable and affordable energy. Thank you.

Jody Erikson: Thank you, just to make sure, Jeanette Hartman? Great. And then after Jeanette, Michael Simonson? Then Mary Youngman. I saw you stand up. Diane Jacobs? Okay.

Jeanette Hartman: They have begun to consider the government as a mere appendage to their own affairs. "Government by organized money is as dangerous as government by organized mob"--Franklin Delano Roosevelt, 1936. There will be a rally to protest the Energy Policy Act over lunch today from 12:30 to one o'clock in a small park across the street from this hotel at the southeast corner of Parker Drive and Market. A yellow, helium-filled balloon will be raised to the height of the towers of the Sunrise Powerlink proposed for Anza-Borrego State Park. My name is Jeanette Hartman.

Jody Erikson: Mike Watson, Michael Simonson? Okay, Mary Youngman, Diane Jacobs?

Mary Youngman: Good day. My name is Mary Youngman and I represent HFH Limited. We are developers and commercial property owners in San Diego. I'm also very active with BOMA, which is Building Owners and Managers Association. Having a reliable and affordable supply of energy is a top priority for our industry. Without it, companies will relocate out of San Diego and California and our building properties will remain empty.

That's why we support the development of more transmission lines in the region. For too long this region has just gotten by when it comes to keeping the lights on. Every summer like clockwork, energy regulators put out warnings about lack of energy supplies and calls for dramatic cuts. The property management industry and commercial industry support conservatism, and we work with our tenants on a regular basis to educate them for the need to demand--to reduce demand, excuse me.

But we will never conserve enough to keep the lights on. What we need is a combination of conservation and a huge investment in infrastructures like the Sunrise Powerlink. Thank you for your efforts in bringing this attention into this crucial matter. Thank you.

Jody Erikson: Diane Jacobs? Okay, I'm going to move--before I move to the green sheets, I'm going to rip through the people we missed on the pre-registered list. Jason Zeckman, Laura Copic? Great. Jerry Levin, while she's walking up here. Pat Heron? Gideon Singer? Go ahead.

Laura Copic: My name is Laura Copic, and I'm a member of the Carmel Valley Community Planning Board, Communities Active for Central Power, and an MBA. I strive to strike a balance between supporting smart planning, smart energy solutions as well as defending property rights and information over space.

Federal designation of Southern California as an NIETC area would trample all property rights, pre-empt smart and comprehensive energy planning at the State level, including the jeopardy of the many beautiful areas of the state we have worked so hard to preserve. We do not feel that the case for including the San Diego area or the Sunrise Powerlink as part of an NIETC corridor is a strong one, and we urge the DOE to reconsider this designation using data and research that [inaudible] utilities as a profit margin depends upon it.

The San Diego area is increasingly considered [inaudible] because, as proposed by Sunrise Powerlink will have an affect on the national [inaudible] or of the state commerce. People occur in its entirety within the borders of the State of California. There are better, cheaper, more efficient alternatives that would assist to improve the life of those living [inaudible] in Southern California, such as clean, local generation. And while it's true that modernization and an upgrade is needed, not much has improved in transmission over the last century. What we truly need is the introduction of smart grid technology and

the transmission upgrade with the best available technology to make our existing transmission lines more efficient rather than further expanding antiquated grids and starting more [inaudible] . The Sunrise Powerlink crosses Anza-Borrego State Park. Apparently the authority that the NIETC area would have would only apply to property that is not owned by the United States or a State, but does a State park? The National Corridor Policy assumes that transmission is the preferred solution, and grants special facilitation when the DOE tells us that full consideration should be given to all options available to local, regional and national [inaudible], including more local generation of transmission capacity, demand response, and energy efficiency measures. The CPUC's track record for improving the vast majority of transmissions already shows that it has a preferred positioning of other options. So this [inaudible]. Thank you.

Jody Erikson: Okay, to keep, just to finish off the people that we missed on the pre-registration, Carolyn Morrow? Marsha Johnson, Andrew Pope, Scott Barnett, Michael Simonson? Diane Jacob? Okay. I'm going to start on the list of folks that signed up this morning to speak. Diana Lindsay. Great, after Diane, Jim Avery.

Diana Lindsay: My name's Diana Lindsay. I am Vice President of Environmental Affairs for the Anza-Borrego Foundation and Institute. The Anza-Borrego Foundation, a non-profit public benefits corporation, now in its fortieth year of operation, acquires private lands within or adjacent to Anza-Borrego Desert State Park. Clears title and transfers those lands to the State Park. We currently hold 7,037 acres awaiting transfer to the State.

The Anza-Borrego Foundation feels strongly that the federal government should not make the proposed designation of a National Interest Energy Transmission Corridor in southwestern California. The wide swath of this designation should--would include San Diego Gas and Electric's proposed Sunlight Powerlink, which would cross the Anza-Borrego Desert State Park.

The route of the proposed Sunrise Powerlink would also directly impact property that Anza-Borrego Foundation owns--property that was acquired through donations made directly to the Anza-Borrego Foundation. The intent of those donors was to protect those lands, lands that are now threatened by the possibility of a Federal Energy corridor and loss of that protection through eminent domain.

Designation as a NIETC Corridor would allow Sempra, San Diego Gas & Electric yet another opportunity to force the designation of State wilderness lands for construction of the Sunrise Powerlink, something never done before that sets a bad precedent for all wilderness lands, both state and federal. The California Public Utilities Commission is currently considering fund loans of this line can be evaluated at the State level.

Finally, federal designation would allow Sempra and San Diego Gas & Electric to move forward on a bad plan, bringing yesterday's pollution, electricity imports from 30 power plants, to the need for increased energy. Southern California needs smart energy solutions that will not pollute our air quality and damage our environment. We ask you to not approve this request for a designation of a National Interest Electric Transmission Corridor. Thank you.

Jody Erikson: Thank you. Jim Avery? After Jim, Dennis Berglund?

Jim Avery: Good morning. My name is Jim Avery. I am the Senior Vice President for Electric Operations of San Diego Gas & Electric. And I am the one responsible for keeping the lights on. The findings under the National Transmission Congestion Studies performed or basically taken by the Department of Energy words, we find that have been made already by the California Energy Commission and California Independent System Operator, and what San Diego Gas & Electric has been saying for almost 10 years now. And that is, our system is severely congested.

The people of San Diego basically pay more for congestion right now, than virtually anyone else in this country. So your findings actually confirm the things that we have been saying. But before we look at

transmission, San Diego, as is required of all the utilities in the State of California, pursues energy efficiency, demand/response, and the access to renewable generation first. But it's not a question of, "Should we be doing transmission or should we do any of these other things first?" We need both of these.

We need both of these because energy efficiency and demand response will not satisfy our long-term needs. But in order to gain access to renewable resources and to meet the State's own goals for mediating the portfolio for 20% of the renewable resources, we have to look beyond our conventional borders. We cannot do it within San Diego alone and not just to our east. Just in that same stated area as [inaudible], the Imperial Valley has one of the richest potentials for renewable resources.

San Diego has already seen over 3,000 megawatts of interconnective web, all from renewable resources. So the access, to gain access to these resources is imperative to our future. We serve over three million people here in San Diego, and the identification of potential corridors that can give us access to future [inaudible] that transmission is going to jeopardize our ability to continue to continue to serve with reliability. Thank you.

Jody Erikson: Thank you. Dennis Berglund? I think that means the Web guy isn't hearing you well enough.

Dennis Berglund: It's always interesting to follow a corporation like San Diego Gas & Electric. I'm Dennis Berglund. I'm a local resident. I operate the Sandy Creek Research Center. I am a registered professional in electric engineering. As we apply conventional wisdom to everything I've heard today, even if I haven't said it is a great deal, the first question I have is, "Why are you here?" In your first presentation, you set a number of criteria for imposing national requirements. I couldn't find one on there that applies to this situation except possibly coming [inaudible] in one year.

Furthermore, you had said in your own presentation that California's been one of the most aggressive and in recent time, or felt that they had been very aggressive in renewable energy sources. By contrast, I had an opportunity to study Patty [inaudible] since I graduated very many years ago. And I find that they're not interested in global power, although that's the most convenient and the most effective means to have a high security electrical system.

They've not done that. However, they did, through the reorganization over the year, put themselves in the business of primarily a distribution-only company. And then it seems that I'm [inaudible] reasonably over the last few years--or months, rather--that they have divested plants in Mexico, which are beyond the regulation of California or the United States and aren't subject to those rules. However, that power will provide the insatiable needs of these local California residents.

So therefore, I would really wonder why you're here in the first place, and I would encourage you to have California control their own things, irregardless of the Sunrise Powerlink. Thank you.

Jody Erikson: Patty Krebs? Kathleen Beck?

Patty Krebs: Good morning. Patty Krebs, Industrial Environmental Association. Thank you for being here today and scheduling this hearing in San Diego. I'm a member of the Southern California Trade Association. We have manufacturing companies, technology companies, and the newer sector is the biotech and pharmaceutical. If you ask my companies what they need to thrive, they'll always give you two things as an answer--water and energy.

Ten years ago, it was all about water. They had to have a cost-effective, reliable supply of water. San Diego's a desert, so new delivery infrastructure was built to solve the problem. Now it's all about energy. An uninterruptible supply of electricity is critical to the business operations. The risk of blackouts, brownouts, reductions, shutdowns, the loss of research are, or of their experiments, are just not acceptable conditions for them. And I wanted to be sure to tell you, too, that I see the industrial facilities, [inaudible]

very directly about their energy portfolios. They are all extensively looking at renewables. They have many projects underway, energy-efficiency projects.

In the next couple of weeks, we have a boiler replicate workshop, in fact, looking at everything they can in their facilities. Many of our companies also already have self-generation or they're looking at it. But I look at those elements as just pieces of the pie. You really still have to have the supply of electricity, the transmission part of your overall energy strategy.

The California Energy Commission, ISO, our regional energy plan, have all extensively studied the issue. They identified the need for new transmission. We urge your help, your support, your assistance in streamlining any regulatory processes to bring new transmission online. And we ask for your approval of the Southwest Transmission Corridor designation. Thank you.

Jody Erikson: Kathleen Beck, and then Andrew Pope just came up, so Kathleen Beck and then Andrew Pope.

Kathleen Beck: Hello. First of all, I want to thank you for allowing us to practice democracy. I think everything inside, we gather together like this to discuss [inaudible], we are practicing democracy, which is our foundation for America. My name is Kathleen Beck and I represent People's Powerlink, which is a storage of concerned [inaudible] on the Sunrise Powerlink. You can find us on the web at www.peoplespowerlink.org.

My question is, do we really have an energy emergency or do we have a monetary and manipulated emergency? It seems that those with vision and power should make decisions that are responsible to those being served, us the users and the [inaudible] for this plan. I am sometimes embarrassed to belong to the country that would put the needs of corporate greed over community rights and individual Americans. I'm sometimes embarrassed to belong to a country that prides itself on individuals but [inaudible] eminent domain properties out of the hands of their rightful owners and put those lands under the jurisdiction of a large for-profit company such as [inaudible], Sempra Energy, or SDG&E.

I am sometimes embarrassed that creators and innovators of our great minds are being superseded by these needs of the corporations' to place a 150-foot steel tower across America the Beautiful when the technology exists to create local and [inaudible] generation such as solar energy, upgraded transmission lines, conservation efforts such as smart energy [inaudible], the building of green structures from the ground up and local generation.

I am sometimes embarrassed that our energy experts deal with for-profit companies by casting aside [inaudible] as a way to protect us from shareholders. And I also am embarrassed that our American companies are entering Third World countries in order to bring LNG power to us. When will we right to our belief and ability to be good world citizens capable of taking care of our own corner of the planet rather than serving the large corporate interests? The time is now to turn the tide of greed that is pushing this [inaudible] power and project. Please do not you're your responsibility lightly. Do not allow this manipulation to allow you to do something that will be destructive for generations to come. Thank you.

Jody Erikson: Andrew Poat? Chris Elkins?

Andrew Poat: Thank you. Good morning. My name is Andrew Poat, San Diego Economic Development Corporation. And first let me associate myself with the comments that Ms. Beck made immediately before me. I'm pleased and it was welcome you San Diego in saying that when we do something instead of just talk about public policy that's a good thing. So we appreciate this opportunity to be here.

We would state that a different perspective of ours in terms of content from Ms. Beck. We believe it is the responsibility of the Economic Development Corporation to look at regional prosperity, which means prosperity for everybody. No matter how much you earn, [inaudible] our region. And we can remember just a few years ago when one of our largest challenges in trying to grow the economy was the concern

which employers had that they wouldn't be able to get the energy they needed to [inaudible]. And that happened, in this very region, as recently as five years ago.

We cannot ignore that simple reality. We are one of the most important regions of this country in terms of our economic development. Without business and without prosperity, and without the sort of business activity, we lack the fundamental economic prosperity that we want to bring to every resident of our region.

We would respectfully suggest this is not about promoting the interests of one above another, but rather, finding the true wisdom, the federalism, which is to find the right role for each level of government and the private sector in solving our problems. If you look at what happened in the past, when we built the federal highway system, it took federal leadership, it took federal dollars. It took the federal government stepping in and establishing priority places for us to move.

And we've definitely seen the benefits of that initiative and that leadership. The fact of the matter is, your designation of this region as being a critical need for corridors is absolutely uncontested with what are really facts. We absolutely require leadership, in my critical [inaudible] in Washington, in Sacramento, and in local government, and I can tell you that this is not a question of the local government being overridden by the federal government, but the need for the coordination of all the interests here so that prosperity will be ultimate winner in our region. I thank you for your time.

Jody Erikson: Thanks, Chris Elkins? Great. And after Chris, John Flynn? You here, John? Steve Keene? Hey, Rich.

Chris Elkins: Good afternoon, ladies and gentlemen. My name is Chris Elkins, and I'm the Conservation Director for the Wildlife Conservancy. The Wildland Conservancy is the largest non-profit landowner in California. Our 97,000-acre Wind Wolves Preserve is the largest non-profit preserve on the West Coast. We have acquired or funded the acquisition of more than 1,100 square miles of pristine land and scenic wildernesses throughout southern California.

These lands are donated to the public for outdoor use and are protected in perpetuity. These are our public trust lands, our forever-lands. We are concerned that some of these lands are in danger of severe impact from the Green Path proposed out of the Los Angeles Department of Water and Power, which has requested a corridor designation pursuant to Section 32CA of [inaudible].

The designation of these corridors is the most poignant question. Who are we as a people, and what do our public lands mean to us? Are our forests, parks and preserves just a holding pattern to be exploited in population growth? If anything, [inaudible] has been involved within our culture.

The environmental community believes they are tasked by time and circumstance to answer these questions. We look upon our public land as our sacred land. The Wildland Conservancy stands in solidarity with the environmental community in opposing the NIETC Corridor designation for southern California. And we support bipartisan legislation introduced to repeal Section 1221 of the EPAC 2005.

And if I can leave you with a quote from President Lyndon Johnson on the signing of the Wilderness Act of 1964, he said, "If future generations are to remember us with gratitude rather than contempt, we must leave them something more than the miracles of technology. We must leave them a glimpse of the world as it was in the beginning, not just after we got through with it." Thank you.

Jody Erikson: John Flynn? And then Steve Keene.

Jack Flynn: Good morning or good afternoon, whatever it is. I'm Jack Flynn, and I'm a retired Marine Corps Major, and I've been working in the energy/environmental field since I got out of the Marine Corps in 1977, in Nebraska, in California, in Mexico, and Asia. We have all of the renewable energy we need right here in San Diego County to meet all of our energy needs until the sun burns out. Hopefully, that will be a few million years from now.

We don't need to use imported energy, particularly imported energy that is destroying our environment and killing our economy. Fossil fuels, which--which is what mostly comes through these powerlinks that you're talking about right now--are not good for our environment, and they're not good for our economy. San Diego's losing a lot of money on its cost of energy because we're using overpriced energy and besides that, we're destroying our environment.

And that's a fool's game to play, and we ought to quit playing it right now. Thank you.

Jody Erikson: Thank you. Steve Keene? Too many papers. Elizabeth Lamb? Go ahead.

Steve Keene: Good morning. My name's Steve Keene from the Imperial Irrigation District. IID appreciates the opportunity to provide comments upon the Department of Energy proposed designation of the Southwest Area National Interest Transmission Corridor.

IID is an electric service provider to more than 130,000 customers in Imperial and parts of Riverside counties. Many transmission properties have been proposed for and are in various stages of regulatory approval for the southern California region. IID urges DOE to take these projects into account before designating for all National Interest Transmission Corridors and to allow State and local authorities to determine if these projects meet California's needs, before DOE and FERC step in to pre-empt State authority.

IID submits that the DOE designation of a National Interest Corridor in Southern California is overly broad. DOE's designation of the Southwest Corridor could have a significant adverse impact on Imperial County's agricultural businesses. Imperial County has over 537 farms spanning nearly 514,000 acres, which employ over 28,000 workers. Due to the success of these farmers, Imperial County has the second-highest average net cash income per farm in California. These farms are vital not only to the local economy, but to the national economy as well.

The designation of entire counties such as Imperial County exceeds DOE's authority under the Energy Policy Act, which is limited to constrained areas. IID is concerned that such a broad designation could harm rather than protect the public interest by damaging farmland and the agricultural businesses in the Imperial Valley. Instead, DOE should allow regional and state processes to work before designating such a broad corridor.

Under California Senate Bill 1059, the California Energy Commission is tasked to work with the federal, state and local agencies, as well as utilities, generators, and the public to designate appropriate transmission corridors to meet future transmission needs in California. This will help prevent costly permitting delays, ensure that optimal routes are leased to reduce environmental impact and avoid or eliminate land use conflicts. SB1059 gives California a new tool to assist it in the siting of transmission.

One immediate role that DOE could display to assist in cutting transmission in Southern California is to coordinate with other federal agencies in the siting of lines through federally under control land. In conclusion, DOE should not allow private management to be impacted more severely than other current restrictions on federal land. If ultimately a plain roadblock doesn't run at the state or local level, it becomes necessary to designate a National Interest Transmission Corridor, IID urges that federal and eminent domain use be sparing, and only as a last resort when state and regional processes have failed. Thank you.

Jody Erikson: Thank you. Elizabeth Lamb, Harvey Payne? I want to get one more. Are you here, Harvey Payne? Randy Howard.

Elizabeth Lamb: Hello, my name's Elizabeth Lamb, and I'm here with the Sierra Club. And the Sierra Club is an organization firmly rooted in the democratic process. So I'm here to share with you the unfortunate lack of opportunity that the public has been able to have to engage in this process for attending workshops.

Meetings or hearings that are held in the middle of the week, in the middle of the day, prevent most Sierra Club members, ordinary people, people with full-time jobs for families to care for, from truly participating in the process. And I urge you, if the DOE wants to hear from the public, to consider evening meetings or weekend workshops.

The Sierra Club is rooted in the principle that people working together to protect great natural places that they care about, like the Anza-Borrego Desert, and yet only a few of our 13,000 San Diego chapter members are here today. For example, our Chapter Chair would have to take a full day's worth of vacation in order to come here. The Chair of our Smart Energy Solutions Task Force would have to close his business for the day. And furthermore, the majority of the people that would be affected by this proposal live very far from here--hours from here.

I urge you, if you want to fully hear from the people that are impacted, to have more hearings, to have them at more convenient times, and to expand the amount of time that the public has to speak to you, as I think you've seen that two minutes is a very brief period of time for a lot of people. Thank you for your time.

Jody Erikson: Thank you. Harvey Payne? Randy Howard, is that you? After Randy, Todd Vorhees. Oh, I slaughtered that one, I'm sure. Go ahead.

Randy Howard: Good morning. My name's Randy Howard. I'm with the City of Los Angeles Department of Water and Power. Thank you for coming out. Obviously, within your corridor designation, it's not just San Diego. It covers Los Angeles and the City of Los Angeles, because within the boundaries of the orange area, we currently serve about 3.9 million people in the state of California, the busiest port in the nation, one of the busiest airports in the nation.

And as the City of Los Angeles, we are not under the jurisdiction of the California Public Utilities Commission. We operate and own approximately 28% of the transmission in the state, and we have several transmission projects that we have put forward in the 368 process.

This week, the Mayor of the City of Los Angeles announced that the City would take the policy of a 35% reduction in greenhouse gases by 2030, based on our 1990 levels. He also committed that we would be 35% renewables by 2020, and we are already on track for 20% by 2010. California's blessed with a lot of renewable resources. As you've heard, the Imperial County area, approximately 2,000 or so megawatts available for geothermal. The high desert area, some of the best solar resources in the world, and the Tehachapis, where there's approximately 2,000 to 4,000 megawatts of wind.

Unfortunately, we do not have transmissions lines to all these areas. These are resource areas that we do not have access to with existing transmission lines where those lines are congested. Therefore, we have needs to upgrade or build new lines into these resource areas to wean ourselves off of the existing high-emitting resources such as coal.

The City of Los Angeles currently derives approximately 47% of its energy from coal. Our commitment is to wean ourselves off of that. We're committed to energy efficiency, we're committed to solar on our rooftops, we're committed to reducing usage within the City of Los Angeles. But we recognize that we are also going to need the additional renewable resources. And it's going to require transmission capabilities. Thank you.

Jody Erikson: Thank you. Lauren, can you grab me more green sheets together. Todd Voorhees. Tom Darin, are you here?

Todd Vorhees: Good morning, I'm Todd Vorhees with Downtown San Diego partnership. Thank you for allowing me the opportunity to speak today regarding this very important issue. As you know, the Department of Energy

has concluded that Southern California's transmission system is so overburdened that it constitutes a threat to the regional economy, national security, and a reliable energy supply.

The partnership is extremely troubled by the DOE's report, and we're taking this matter very seriously. Downtown is the political, financial, and cultural heart of the region, so it is vital that we have reliable and sustainable sources of power to keep our businesses competitive and our economy strong. The Southwest Transmission designation will dramatically improve the reliability of the transmission grid, deliver new supplies of energy, and keep the lights on in San Diego. It's that plain and simple.

So on behalf of the partnership, I urge the DOE to do whatever is necessary to ensure San Diego's energy reliability, and that includes taking a serious look at the Sunrise Powerlink. Thank you for your time.

Jody Erikson: Thank you. Tom Darin, Bruce Coons?

Tom Darin: Yes, thank you. I'm Tom Darin with Western Resource Advocates. We're a conservation group non-profit based in Boulder, Colorado, with state offices in Nevada, Arizona, Utah and New Mexico. Since 1989, we've been working to protect and restore the pure west landscape, wildlife, and water resources, and to promote the more sustainable energy policy utilizing the abundant renewable energy resources in the West and also focusing on efficient distributed generation principles.

Today, regarding transmission in the western United States, we have two major goals in our organization. One, first and foremost, protect sensitive public lands and wildlife resources from corridor impacts. Number two, we recognize the need, and I'm not talking about the local issues here at Sunrise Powerlink, but particularly in places like Colorado and New Mexico, they're striving to meet 20 by 20 RPS requirements. The need for some new transmission to get to play space renewable resources like wind and solar in those areas, we want in that process, transmission planning to be done right to protect our natural resources.

We have three major concerns with the National Corridor designation process. First, as we've heard today, we fully endorse an environmental impact statement, programmatic level, for this process that would address purpose and need, look at public participation opportunity, a full range of alternatives, and a full study of the environmental direct and cumulative impacts. Second, you have put into play an important process where the states' power is being usurped. Actually, it's not going to be taken in 12 months. State PUCs have processes for identifying necessity and convenience and studying alternatives we feel may be lost at the federal level.

Lastly, our concern is a lax coordination with the Section 368 process. I like the suggestion I heard this morning that the study from last year over NIETC should drive the 368 process and prioritize where corridors may be needed. You know, eleven western states. I thank you for your time this morning, thank you.

Jody Erikson: Bruce Coons, Tim Costanza. Is there a Cindy Gomper Graves? Don't know if they're waving at each other or waving at me. Scott Alvery?

Bruce Coons: Thank you for this opportunity to talk to you about this very important matter. I'm Bruce Coons. I'm the Executive Director of Save Our Heritage Organization. We're a countywide group, and we also cover parts of northern Baja for historic preservation in our region.

We are opposed to the National Interest Transportation Transmission Corridor concept by the federal government for a number of reasons. We're also local partners with the National Trust for Historic Preservation that also opposes this plan.

We believe that impacts to historic resources, cultural resources, and archeological sites and cultural landscape would be beyond what would be acceptable to any of us if this was passed. But we're particularly concerned with the ability to bypass the California Environmental Quality Act. And, the--the

protections that are within that Act are far beyond any of the national Acts, including the National Historic Preservation Act. And so this would be a significant erosion of the current protections that are underneath the California Environmental Quality Act.

One of the--and you said not to be specific, but I have to talk a little bit about Sunrise as an example. The areas of Warner Springs and the Warner's Ranch House, we've worked a long time on the national historic landmark to get the money to restore those places. The only place in California in the West that you can really get the sense the pioneers had when they first came to California and saw what they called "The Promised Land." This power line would go right through that area, plus it would go through one of our most scenic areas, which is Rancho San Ysabel, and destroy one of the most beautiful areas in our region.

This has all kind of has come about because SDG&E was allowed to divest itself of its power generating plants in San Diego, and it became primarily a transmission company and so that's where they make their money, is on transmission lines. And we believe there should be local generation and use current corridors if you have to use any at all. Thank you.

Jody Erikson: Thank you. Tim Costanzo? Is that you? Okay. Double check. Cindy Gomper Graves? Scott Alvery? I'm looking for recognition. Greg Nelson?

Tim Costanzo: Short to the point, we don't need the DOE involved in southern California. San Diego is the southwest corner of the United States. There's no way it's part of a national corridor. Unless you're going to make this an international corridor, bringing in utilities from south of the United States, in Mexico. Thank you.

Jody Erikson: So last chance for, not the last chance. Cindy Gomper Graves? Scott Alvery? Greg Nelson. After Greg, Tom Curry.

Greg Nelson: My name's Greg Nelson. I'm a private citizen who lives in the backcountry. On page six, your number 12 blackout risk is real. We don't know what a blackout is at our house anymore because we have a solar/wind hybrid system. I'm against this project of the transmission lines in that it's going to destroy the backcountry views, and the technology is here for people to self-generate on their homes. If self-generation and renewables were sold as well as, in the market as well as beer and automobiles, I don't think we'd even be here today talking about this. Thank you.

Jody Erikson: Tom Curry? Lisa Cohen? Andrew--oh, Andrew, you already spoke. Juan Gallegos? Pam Nelson?

Pam Nelson: I'm from the northeast part of the county, Warner Springs, so you need to correct the blackout now, because we have a big bright spot there. We don't ever have blackouts, and put the rays out, because we're probably offering electricity right now to this forum.

We--the supposed energy consumption is the real topic today, I found out. Creation of an energy corridor should be the last thing on the list of solutions. User site generation should be first. User site generation has been under-emphasized so far. There's sun and wind everywhere, not just the Tehachapis or the desert. So energy producers such as SDG&E could help rather than detour these messes by offering leased--leased, meaning leasing, packets of alternative energy or giving incentives rather than wasting money and funds on lobbying for energy corridors and transmission lines.

We shouldn't be going backwards by encouraging transmission from afar. There's lots of problems. Some of them, such as local things, loss of local control a big one. Promotion of large generating centers, such as dangerous LNG terminals and nuclear power plants and a corridor, are breaking this to our national security by creating fabulous targets for huge devastation.

A better solution is for users taking responsibility for their production and use, and conservation would automatically follow. Thank you.

Jody Erikson: Jerry Hughes? Great. Following Jerry Hughes, Jeff Martin. Bob Barnum. Patty Craig. We already called you. Go ahead.

Jerry Hughes: Good morning. Welcome to beautiful San Diego. Please help us keep it that way. As a resident of San Diego and a citizen of the State of California, I and all of us in California should be very upset and concerned that their state, or what happens in their state, is being taken away by the federal government for the benefit of corporate interests and profits. Let Californians take care of California.

[inaudible]. I don't understand why SDG&E has not advocated the [inaudible] for the power plant [inaudible] highway [inaudible] to San Diego. To the best of my knowledge, there would be very little opposition, especially from the environmental groups, which [inaudible]. Thank you very much and have a nice day.

Jody Erikson: Thanks. Looking for my two minutes to organize my papers, Jack Martin? I know probably Brad Barnum? Great I got Brad coming in, Patty Krebs? Mike Jansen. [Unintelligible]--okay. I've got--thank you, I'm not going to slaughter it worse. I can't remember who that was I said, Brad Barnum is that you? Come on up.

Brad Barnum: Hello, my name is Brad Barnum with the Associated General Contractors of America, San Diego Chapter. We're here to support to this Sunrise Powerlink.

AGC represents over 1,300 firms [inaudible] infrastructure. Our members build and re-build schools, libraries and hospitals, fire and police stations, recreation centers, [inaudible] systems and the bridges, roads and highways [inaudible]. These facilities will be a reliable source of electricity to meet the growing needs of the region and [inaudible] Project could jeopardize the operations.

The link will also increase the [inaudible] Project, which could meet the higher [inaudible]. It will be much [inaudible] now, than to pay more for it later. [inaudible] encourages state regulators to act quickly and approve the [inaudible]. And we appreciate the federal government's efforts to raise awareness on this [inaudible].

Jody Erikson: Thanks. Grazyna Krajewska and then Carolyn Morrow?

Grazyna Krajewska: My name is Grazyna Krajewska. I ask you to not legislate San Diego [inaudible] transmission Corridor. [Unintelligible]. If you [inaudible] you should know, there is no problem [inaudible] and we [inaudible]. [inaudible] power lines required. [inaudible] Your suggestion is to have power lines that we do not need. California is an excellent example of progress [inaudible]. Please let us continue to progress rather than force us to [inaudible] 19th century. Please do not designate [inaudible] Transmission Corridor. Thank you. [Applause].

Jody Erikson: Carolyn Morrow? Following Carolyn Morrow--Richard Caputo.

Carolyn Morrow: Good morning, my name is Carolyn Morrow. I [inaudible] Builders, a construction firm that specializes in remodeling for the elderly and disabled. I'm here today emphatically urging not to approve SDG&E's request to the designated proposed [inaudible] Sunrise Powerlink and [inaudible].

Electric [inaudible]. At every turn, experts have refuted SDG&E planning regarding this line and have shown that it is not needed. It is imperative and everyone's responsibility that America develops consistent sustainable energy. We need to upgrade existing lines, build local generation, promote sustainable green energy and [inaudible] conservation. Strong leadership is needed to ensure that our reliance on fossil fuels is diminished.

If I sound angry, it's because I am. To paraphrase a well-known movie, I'm mad as hell that SDG&E [inaudible] with its expertise and money has such a callous disregard for the environment and [inaudible] future. What if we spent the \$1.3 billion that SDG&E says that it will take to build the line and spend it

on solar rooftop? If every house or business [inaudible] pay \$50,000 that would mean [inaudible] 260,000 facilities. With the economies of scale, that number could easily be over half a million installations.

SDG&E needs to rebuild [inaudible] to the homeowners and businesses. Would that help congestion? Some businesses [inaudible] would become a non-issue. How would that affect maintenance costs? I challenge SDG and Mr. Avery, who left already, to do something about this. Approving SDG&E's request will only encourage the building of more outdated technology. Leaving a huge swath of destruction in its wake and increase our dependence on fossil fuels. Superior alternatives to Sunrise Powerlink exist. This map [inaudible] should not be advantaged over other alternative solutions by receiving NIETC designation. Thank you. [Applause].

Jody Erikson: Richard Caputo? After Richard, Julie Gill. Matthew Jones?

Richard Caputo: Hello, I'm Richard Caputo. I'm representing the San Diego Renewable Energy Society, a chapter of the American Solar Energy Society. I really love the title of this Act but I think the [inaudible] of it is to be correctly put together. So it's a good idea but it's being done at the wrong level. And let me explain.

To remedy this problem we have to reduce our use of carbon and get down to about 80% of today's use by 2050. The American Solar Energy Society has developed a way to do this relying upon energy efficiency and renewables in their recent report. And there are nine facets to this [inaudible] our energy system [inaudible] areas and six renewable technologies.

Of the six renewable technologies, five of them are centralized solar power, the decentralized one would be on site [inaudible] and [inaudible]. So we see, as we move towards this enormous reduction in carbon, these energy resources, biomass, wind, geothermal, all concentrated solar, will be safe to local markets through existing grids for the whole [inaudible].

[inaudible] 2030 we're going to build us a local market with this renewable energy, which is great. So, your title of your Act National Interest Electric Transmission Corridor Designation is apropos, but we should be moving the huge sources of renewable energy out of the regions that they've saturated to other [inaudible]. And that would be a proper application of the concept in this Act.

I don't think it should be used to overcome the local processes that we feel are very adequate in California and allowing this to happen is not in our best interests. So I think you really should stay at the federal level, do the equivalent of the Interstate Transportation system by using electricity to move [inaudible] around. And the [inaudible] should focus on that and not just [inaudible]. Thank you. [Applause].

Jody Erikson: Julie Gill, Matthew Jones? Great, Denis? Thank you.

Matthew Jones: Hello, my name is Matthew Jones and I'm just speaking on my own behalf. My family's been in Southern California since before this was the United States of America and my grandfather and great-grandfather both worked for the Southern California Edison Electric Company.

My grandfather bought [inaudible] out in Los Angeles when it was backcountry for the first time for his farmers when power was [inaudible]. But times have changed and we are being concerned here in California and need to address at the same time the environment, the backcountry and power.

Many proposals will fall short in addressing all of these needs. And California needs to be up [inaudible] to the proposals. We don't need the federal government coming in and forcing proposals through after we have rejected them. Having our heads--[inaudible] we'll fix the problem for you. We need the [inaudible]. Thank you. [Applause].

Jody Erikson: For those of you checking your watches, we have to take a break--I have three more people to call before going back through the list of people I've already called. So I thought, if it's okay with you and the folks at the front that, we'd just sort of finish out the list this morning. One question, sure.

Jody Erikson: Sure, I've got three more people to call. So let me just see who's here, I know that Dennis is here. Martha Sullivan, are you here? And--William Watkins are you here, too? Can we just do two minutes, that's four minutes. Okay let's go ahead. Dennis go ahead and then we'll go with Martha.

Denis Trafecanty: Denis Trafecanty San Diego and also a San Ysabel resident. I am here to raise awareness about what you're trying to do, both on a federal basis and on a state basis. If we could go back several years, speak in front of the people that designated these private preserves, and public preserves and the Anza-Borrego Desert State Park what would you be saying to them? Would they be argumentative with you over what you want to do? Bring power to the major metropolitan area?

Why don't you run that federal Corridor around [inaudible] on each side and--add to the existing transmission lines that they're already going to LA, called Green Pass North. The power [inaudible] to major cities and now it's just--we're thinking about destroying the backcountry in our State Parks.

So, really, what's your legacy going to be? You keep what's there, the California Public Utilities Commission is going to be the people that are part of something that we've never done in the history of the United States, to de-designate wilderness. Is that what you want to be?

Let me tell you what I'm going to be. On April 14th, in order to raise awareness about this boondoggle Sunrise Powerlink for our investor-owned utility, where we don't even need the power in San Diego, I ran 50 miles and I painted a little [inaudible] Springs called [inaudible]. Raised a lot of money and raised awareness.

Well you know Anza-Borrego State Parks is going to have its 75th anniversary this year. And I'm going to celebrate it at the end of October. And I'm going to be there right in the middle of the day. But instead of driving there by car, I'm going to run 75 miles to get there and I'm going to raise more awareness. And I'm going to ask for pledges from [inaudible] from all of you. Thank you very much. [Applause].

Jody Erikson: Okay Martha Sullivan. And then what we'll do is, we're going to take that lunch break and we'll be back here at 1:30.

Martha Sullivan: Hello, I'm Martha Sullivan a member of Communities United for Sensible Power here in San Diego, [inaudible] coalition of community groups that has organized [inaudible] to meet our energy needs here in San Diego County and other antiquated transmission line projects. And also, I worked for 20 years for the California Public Utilities Commission as a project analyst, former supervisor.

I [inaudible] in 1998 after being intimately involved with the planning for the [inaudible] policy that the Wilson administration pushed through. And unfortunately, our legislature embraced. That right there was the reason for blackouts and brownouts and despite [inaudible] San Diego's electricity several years ago.

It [inaudible] to do with transmission congestion [inaudible] transmission. And I know this from my own professional experience. We know it from the case that they released that Enron that gamed the system that our--the free enterprise advocates put it in place still allowed it. So I want to say that unfortunately that the credibility of the federal government to do the smart and efficient thing when it comes to energy planning has not been established. And right here today is an example of it because you can even tell people there were [inaudible]. So [inaudible] to conserve energy the track record's a little questionable.

So please, I'm a professional energy policy analyst, I appreciate the position you're in. But you have to understand that people--their trust level is really low. Thank you. [Applause].

Jody Erikson: Thank you for those who spoke this morning. Take a lunch break; we'll be back at 1:30. I will call all those people who I called this morning and didn't answer. So 1:30 back here.

Jody Erikson: I'm going to go through the list because I know there's a couple of people. So those of you who were here this morning, you're going to hear names again. But I know that there's a couple of these people that are back. So I'm going to go through this list one more time of the registered folks.

Joseph Zackman [ph], Jerry Levin, Pat Herson? Gideon Singer? Great. Scott Barnett? Michael Simonson? Diane Jacobs? All right, Gideon, come on up. So those are the registered speakers, Gideon's going to come up and speak and then we're going to go through those folks who I called to sign up to speak first thing this morning. So, two minutes. And for those of you as a reminder, again, the orange card says you've got 30 seconds and a Red card that says 'thank you very much.'

Gideon Singer: Before my speaking, I was wondering if I could ask a question? Or is that not part of this? Okay well really quickly, the question--I looked a little bit on the website. It wasn't clear to me whether--if a State Park existed within a proposed border, whether that was--it looked like the verbiage indicated that it would be free from any eminent domain action. Now you can answer that when I'm done so--. Okay go ahead.

David Meyer: I think it is what I would call a clarifying question. And I would consider your question a clarifying question [inaudible].

Mary Morton: Yeah, you're absolutely right, the statute provides that, in the event that a project developer went to FERC and got a permit, that permit would not authorize eminent domain over any state property or any federal property.

Gideon Singer: Thank you for clarifying that and I'm just going to do a little spiel here and then be on my way. This is more in related to Sunrise Powerlink but seemed to just pop up, this federal issue. And I'll just read what I have here. My name's Gideon Singer, and I've been here for 40 years and I've watched our backcountry dwindle at unnecessary speeds due to poor planning. And Sempra and SDG&E basically, sent a lobby letter to get you guys to endorse this, Bush signed legislation '05 to pave the way as well. And it just seems like you're not planning, San Diego has never been a good planning city.

And I just feel that, let's see energy is required--a requirement whether it's alternative, sustainable, or whether it's big transmission lines. But they really glossed over the I-5 Corridor option, I-8 excuse me, which already has a lot of service. And when you--it's like an analogy to a hiking trail, when you make many trails you scar the land. And if you have electric high wires and the highways all in the same area, all the proposals by Sempra were either adjacent or through State Parks and just--it wasn't just parklands but it was actually air space. View shed space, which gives that area a timeless quality.

I mean, [Bixby] Ranch up on Santa Barbara's been sold off; the backcountry has diminished to a very small percentage. So what we have, we have to be good stewards and maintain it. Because--I mean it's not about the money. It may cost Sempra three times as much money to go along the I-8 Corridor, but in the long run, that's a saving and a benefit. And I don't think you'd see transmission wires through Yosemite Park and Anza-Borrego. Anza-Borrego, which is the largest State Park, has more- just as much cultural, historical, archeological history and importance. And it'd be really a silly thing to do.

So, being from the federal government, maybe not being aware of all these California issues, that's something that really needs to be considered before any decision is made. And I'm probably forgetting something but that's it, thank you.

Jody Erikson: Okay, I'm going to go through this list of folks who registered this morning to speak. Cindy Gopper [ph] Graves, excuse me. Scott Alvey? Tom Curry? Great.

Scott Alevy: Good afternoon Mr. Meyer, Ms. Morton, my name is Scott Alevy. I'm the Vice President of Public Policy and Communications for San Diego Regional Chamber of Commerce. I'm also a former city councilman from Chula Vista which is a city in this county and, oh, by the way I now live in what many people here would call the backcountry. So I'm conscious of those concerns.

Here representing the San Diego Regional Chamber of Commerce, we have over 3,000 member companies. We represent about a half a million working San Diegans. Our businesses and our employees and employers, depend on reliable energy, not just to keep the lights on but to keep their doors open. We're here to hopefully, keep San Diego competitive as a region.

It's imperative that we have adequate supplies of energy, reliable, renewable and affordable. If action isn't taken soon our region could very well face electricity shortfalls such as those in 2000/2001. Of course, we all remember blackouts in 2003 and nobody wants to go there.

We simply need transmission lines that provide new supplies of electricity; it's a very simple statement. We need them now; we can't wait for the next energy crisis. We've got to take action now to ensure that we have reliable energy for the future. That's why the San Diego Regional Chamber of Commerce has taken a strong position in support and calling for the development of new transmission lines and new power plants in this region.

We appreciate that the Department of Energy has elevated this issue and join you in the call for more transmission lines. Local decision-making is always the best thing, but it's good to know that the federal government is willing to join with us. We believe that a stronger grid makes a stronger business environment so with your help we can urge State regulators to approve new lines such as the Sunrise Powerlink just as soon as possible. Thank you very much.

Jody Erikson: Thank you. Okay Tom Curry, after Tom Curry, Harvey Payne? Lisa Cohen? Looking for recognition, okay great.

Tom Curry: Good afternoon, welcome to San Diego. My name is Thomas Curry I'm the president of the San Ysidro Chamber of Commerce. And the San Ysidro Chamber of Commerce understands the demands of owning and operating a business. We keep atop the issues that affect the businesses that we represent. This includes the issues of reliable energy in our region.

This issue is why we are here today. I appreciate the fact that the Department of Energy has recognized that Southern California including San Diego, must make improvements to our electricity transmission grid. An answer to this problem is new transmission lines.

And, it will not only strengthen Southern California's grid, it will also bring solar, wind and geothermal energy. This is an opportunity that San Diego should not pass up. The economic stability of the County relies on reliable energy. The San Ysidro Chamber of Commerce fully agrees with the Department of Energy that the San Diego needs reliable, affordable and safe electricity.

I want to thank you for coming to San Diego to increase the awareness about this issue and hopefully, this will help getting the Sunrise Powerlink approved and built. Thank you for your time.

Jody Erikson: Lisa Cohen and then Juan Gallegos? Jeff Martin? Mike Canton? Julie Gill?

Lisa Cohen: Good afternoon, David Meyer and Mary Morton. It's my pleasure to be here today to voice our opinion to the US Department of Energy. My name is Lisa Cohen; I'm the CEO of the Chula Vista Chamber of Commerce.

The [Southland] region of San Diego County was for many years ignored and served as a dumping ground for unwanted business activities. This is no longer the case, except there's still much to do. Our South Bay Power Plant is old and inefficient. It emits greater pollution than the new power plants

currently being built. A new transmission line would allow renewable energy in the Imperial Valley to eliminate the South Bay Power Plant and its pollution. We cannot lose this opportunity. It is essential to our long-term health and quality of life that we access clean energy such as solar, wind and geothermal.

Our environment directly affects the health of the people who live in the South County, especially the older folks, children and people with respiratory ailments. Our environment also affects the health of our economy. Businesses are not going to prosper if their employees are suffering. The Chula Vista Chamber of Commerce must consider all elements that impact the business climate of our 1,000 member companies and the quality of the life who work for the over 30,000 employees and businesses.

I want to thank you for increasing awareness of this important issue and spending a day in San Diego to hear our concerns. We respectfully ask for your support.

Jody Erikson: Julie Gill? Following Julie Gill, Martha Sullivan? Martha Sullivan? William Watkins? Great.

Julie Gill: Good afternoon, I'm Julie Gill and I represent the California ISO. The California ISO appreciates the opportunity that the Department of Energy has provided in allowing us to comment on the draft Southwest area Corridor proposal. The ISO, the California Public Utilities Commission and the California Energy Commission have been working together better than ever before and have implemented policies that capture the individual technical strengths of each entity.

The ISO presented to our Board in January for the first time a proactive transmission plan that looks out to the planning horizon for up to 15 years. It has a series of immediate solutions that can be put in place for some operations, some mid-term solutions and also, some longer-term transmission planning and the vision for that.

One vision that the ISO is moving forward with is a concept of sub-regional planning. We're working together very collaboratively with Pacific Gas & Electric, with Southern California Edison and with San Diego Gas & Electric in developing these plans. But we're also looking beyond and working with neighboring control areas, both inside of California, as well as other regional planning groups that are contained within the Western Interconnect.

We're very excited that the Los Angeles Department of Water & Power has committed to working with us in this endeavor to the benefit of all Californians. And we look forward to more control areas and the [inaudible] utilities joining with us. To date the ISO has approved over 400 transmission projects that are needed for reliability or to promote economic efficiencies. These projects represent over \$8 billion in infrastructure investment in California. The ISO has also worked very closely with the Public Utilities Commission as it's undergone a streamlining in the last year.

We've worked with them on the Palo Verde 500-kV 2 line, the Tehapachi Project and the Sunrise Powerlink. We agree with the Department of Energy that Southern California is congested and believe that transmission will relieve this and enhance reliability. That's why our board approved these lines.

In addition, we believe that transmission is critical to meet our State's renewable goals as well as meet the growing demand in California. We have been working very diligently to remove barriers, such as our new category of transmission that the FERC has just ruled on. The ISO has confidence that the Public Utilities Commission will finish their review in a timely way. And we've already approved Palo Verde [inaudible] and we're working together diligently on Tehapachi and Sunrise. The ISO believes that the Corridor initiative underscores the need in Southern California and the importance of the State process already in place that's moving forward.

Thank you very much for this opportunity.

Jody Erikson: Mr. Watkins? Following Mr. Watkins, Myrna Wosk.

William Watkins: Good afternoon people from the PUC, can you hear me okay? Fine thank you very much. I'm doing what that I have heard before makes me more interested in the [inaudible] as a viable Corridor for the energy. For instance, I understand that the two plants that have been built in Baja California are impacting Imperial County with all kinds of snow. Therefore, they need to really put snow scrubbers on those plants and it's something we can't really control. Perhaps we can suggest that to Mexico but basically, Mexican plants should be--the electricity from the Mexican plant should be for Mexico, not for us.

Therefore, I still think that the green path north is the Corridor of choice. And incidentally, the interstate freeways are basically, viable opportunities to put this Corridor up the freeways because they are military freeways, military roads and give some protection in a worse case scenario. Thank you very much.

Jody Erikson: Myrna Wosk? And Derek Casady.

Myrna Wosk: I think the most important [inaudible] I want to make. One of them is imagine that you're a terrorist, wouldn't it be easy to get near a plane or whatever, and go to the central point where all this energy is coming out to Southern California and hit it and completely knock out the whole area. It just doesn't seem to make sense to me to have a focal point, which is--its covering all of Southern California.

And it also seems to me that, Californians--we're progressive, we're not regressive. We don't need to rely on old technology; we're smart enough to come up with new ways of thinking. And other states follow us and--I don't know it's just very sad to think that we have to go and continue on the way we did 50 years ago with these huge wires. When the sun is up there there can be local power plants--I don't know all the technical reasons--. All I'm saying is that there's got to be another way and that, having a focal point, which can easily be destroyed, and knock out all of Southern California is not the way to go. And when I talk about locally produced power, I'm not talking about bringing it across the mountains from Imperial County, which Sempra wants to do, I'm saying let San Diego develop--let us develop our own resources. And I'm really serious, thank you.

Jody Erikson: Thank you. Derek Casady? And then Juan Gallegos.

Derek Casady: I'm Mrs. Derek Casady and I'm here representing the grandchildren that use Anza-Borrego Park. And I would certainly like to second the point that the lady just made, which is the technology that we're considering is very much last century's. And we need to be thinking about how the [inaudible] self-sufficient and not as vulnerable to some of the oncoming crises that we're facing with global climate change and terrorists being just one part of that picture. So if our goal is to ensure reliable sources of electricity for our nation, local generation is the answer. [Applause].

Jody Erikson: Juan? Juan and then Diane Jacobs.

Juan Gallegos: Good afternoon. Thank you very much for allowing me to speak. My name is Juan Gallegos; I'm the Director of Business Development and procurement for the San Diego County Hispanic Chamber of Commerce. The San Diego County Hispanic Chamber of Commerce is the second largest Hispanic Chamber of Commerce on the West Coast. We currently have a membership of about 2,600 members.

The companies that are members of our organization range from small proprietors to large corporations. As the growth of small businesses continue to expand, electricity is important and it must be affordable. The Sunrise Powerlink, like many transmission lines, allows for a diversity of energy and greater competition to this region. We cannot afford more electric rate hikes due to old inadequate infrastructure. We need diversity.

Our businesses have made significant investments in conservation and have worked diligently to lower the energy usage in collaboration with the programs that [inaudible] offers. We need alternatives that have the potential to drive the price of energy down. New transmission lines are an important part of the

solution. We need affordable, reliable energy and appreciate the Department of Energy elevating the awareness of the benefits of new transmission lines and we need for you to act now.

Thank you very much on behalf of my Board of Directors, the President, Linda Caballero-Sotelo, and our Chairman Joseph Casas. Thank you very much.

Jody Erikson: Diane Jacob and then we are at the end of the list. So we'll get there.

Diane Jacob: Thank you very much I apologize I could not be here earlier today but I appreciate very much, the opportunity to speak this afternoon and the fact that you're actually here and you didn't have to be here to hold these hearings in San Diego. I am a member of the San Diego County Board of Supervisors and San Diego County is one of seven California counties that's included in the proposed Corridor. At about 82,430 square miles, this Corridor is more than half the size of the entire State of California. I represent the people of San Diego County's second District, which encompasses the eastern portion of San Diego County.

And my district includes the many communities that are affected by SDG&E's Sunrise Powerlink Transmission line proposal. Make no mistake about it that's really, what this is about today.

In a document dated March 6, 2006, San Diego Gas & Electric argues that the preferred route of the Sunrise Powerlink be designated a National Interest Electric Transmission Corridor. Now, like many others, here today you've probably heard it all but you haven't heard it from me yet. I do challenge the legitimacy of SDG&E's request and in turn question the need for the designation. I believe that SDG&E is attempting to pull an end run around the existing permitting process and that's just not fair.

The Department of Energy should not steer energy transmission planning from the hands of California stakeholders and pile on yet another layer of costly, duplicative, bureaucratic review. I was told I would have four minutes, is that not true?

Instead, what the Department should consider disturbing questions surrounding the case for the Sunrise Powerlink and these questions negate the need for the Corridor designation through San Diego County.

In 2006, National Electric Transmission Congestion Study, the study upon which the proposed Corridor is based, assumed as fact SDG&E's claims of congestion, along the region's existing 500-kilowatt transmission line known as the Southwest power line. Unfortunately, the study did not consider a finding by a three-judge arbitration panel in April of 2006. That panel determined that Sempra energy, the parent company of SDG&E, created artificial congestion on the Southwest power line. Sempra, it should be noted, owns two Baja California generation plants that feed the southwest lines.

For Enron-style shenanigans, Sempra paid \$70 million in fines to the State of California. By including San Diego County in the Corridor designation, the Department of Energy may very well be basing unprecedented national energy policy on entirely phantom congestion. The situation merits at the very least additional information from Sempra energy, the parent company of SDG&E.

In addition, SDG&E's assertion that Sunrise will alleviate transmission congestion in San Diego County the utility claims Sunrise is needed to meet a state renewable energy mandate that calls for 20% of SDG&E's power to come from renewables by 2010. Through public relations, materials the utility attempts to portray Sunrise as a lifeline to a wealth of potential renewable energy in Imperial County. The utility says it has enthusiastic hopes for renewable potential in Imperial County, particularly the Sterling Solar Dish Project, a technology which has never been commercially tested. Experts are now raising concerns about its viability.

As recently as October of 2006, SDG&E was asked by a group of local energy stakeholders if the utility would be willing to guarantee that a minimum percentage of the power imported via Sunrise would come from renewables like Sterling. SDG&E responded in writing, I quote "The physics of interconnected grid

operation are incompatible with the notion of ascribing particular sources of generation to particular transmission lines".

Simply put, SDG&E will offer no such guarantee. Let me just close by saying for the record, because my time is cut short, I will place before you my written testimony. The bottom line here is that, the CPUC system is not broken. It's a lengthy deliberative process and let's make no mistake about it; this proposed Corridor designation is only about jamming through the Sunrise project over the objections of local, state and federal officials. And I would urge you not to approve it. Thank you. [Applause].

Jody Erikson: We're at the end of the list of registered as well as those who signed up. If somebody had walked into the room and you had pre-registered, you had signed up to speak and I didn't call your name--I'm not going to go through all those names again. So if you could raise your hand? I've had a couple of people who want to speak a second time. I'm going to keep you to two minutes the second time. Some public officials were given a little bit more time so that's where the four minute came from.

So the second round, if you want to speak a second time you can kind of pop up here. While I'm finding the next person, I'll add your name to the list. So Diane Conklin--I don't see her. Okay, Tom Darin, Larry Chaset and then Scot Martin.

Tom Darin: Thanks and I really do appreciate the extra two minutes. It's hard, this is a complicated issue and I do appreciate you coming out to San Diego where I had to come out to be able to address these concerns.

Three things I wanted to touch upon this morning. What your list up there does not really fairly--with all due respect, portrays is that, a final designation of the National Interest Corridor would change the playing field. And the significant concern and I think you've heard this echoed out from different players is that, a state--an applicant can go to the state and file a shoddy application or--just sort of wait for 12 months. And if there's no approval, they automatically go up to the FERC level. And it is a real concern that the concerns and processes at the State level and the California and the other state PUCs will get short shrift that way.

As to the second point, I think you might be adding an unnecessary layer that might complicate things and may be premature. And as interested public I attended the Southwest Area Transmission Planning Group Effort for the states of Arizona and New Mexico in the last two days and I'm here to tell you and I'm sure you know this, to remind you that, the utilities, the power companies, the western Governors, the states, are coming together and addressing these same problems. Including multi-state transmission congestion problems and including Arizona over into California. I suggest you let these play out and not add another layer that will be confusing at this time.

And my third point is I think there needs to be better state and federal coordination. If you have an Interest Corridor permitted you might have--in this Southwest area you might have the state PUC with an application rushing to get its job done within 12 months and another applicant in the same area at the FERC level if theirs has been denied. And you might not have coordination; you might have duplicate transmission right of ways in the same areas. And that all translates to unnecessary impact.

And I also, think that you need to coordinate with the federal Section 368 process in looking at the same area for federal land crossings in 11 western states. And for that, thanks.

Jody Erikson: Larry Chaset and then Scot Martin.

Larry Chaset: Thanks for the opportunity to have a couple more minutes. I want to underscore and state my complete agreement with what Tom Darin just said. All three of those points are very valid ones.

What I really want to focus on though is renewables. I didn't have a chance earlier to talk about what we're doing on renewables, I talked about how we had just approved in January the Power Verde-- [inaudible] Power Verde II Project that will, effectively, eliminate a lot of the major constraint into

Southern California that was an initial concern of DOE's. But we also, in March, approved two renewable transmission projects from the Tehapachi region down into Southern California Edison's load center.

It's really important for you to understand that we have a very proactive planning process in California for renewables. We are moving forward in a very aggressive fashion. It is one of the highest priorities of the state to encourage renewable development and to make sure that, the transmission necessary to bring those renewables into load is built.

We appreciate--in your notice, your recognition of the importance of renewables and that's a good thing that you acknowledge that. But you know in California, we are doing--we're identifying renewable resource potential areas and siting constraints already. Southern California Edison has just recently proposed \$6 million that we're about to approve to actively study renewable transmission access in the Mojave Desert area. Also, the statewide California Sub-Regional Planning Group effort is going to--Julie Gill mentioned that earlier, is going to be looking into these questions in considerable detail. I really think it's premature for DOE to start designating Corridors, when we have such an active, yeasty stakeholder-driven process, which is very collaborative and it includes all of the interested parties. Thanks.

Jody Erikson: I'm sorry Scot Martin and then I think--we're going to open up to see if there's anyone else who wants a second shot.

Scot Martin: All right thank you for another two minutes here. With all due respect, to the gentlemen and the lady that spoke from the Chambers of Commerce. I resent the collective Chamber support of a plan that would directly impact other communities and protected areas. I come from a small community out in the Ansa-Borrego Desert/Veraga Springs and that Chamber of Commerce actually, does not support this proposal because it would impact their community and offers no benefit.

And, the community of Veraga Springs I believe is going to take a responsible approach to their energy needs and try and work on it locally. And I would encourage the Chambers that spoke here to do the same thing. Do it in your communities, don't do it in the protected areas and in other peoples' communities.

I think that also goes for the building associations that spoke. They're talking about--asking you to put this transmission line through, or this Corridor through when we've got all these buildings in these big urban areas that are not energy efficient and don't have renewable energy infrastructure on them. Let's do that first, and then, we can talk about energy Corridors and transmission lines and whatnot.

I'd also like to say it's a further insult, given SDG&E's record, very poor record, of meeting its efficiency goals. SDG&E has yet to meet its 2006 goals and is not expected to meet its 2007 goals, putting the company behind schedule to meet its state-mandated 2008 target. So I guess I'm maybe [inaudible] thank you.

Jody Erikson: Okay someone else who came up, Kathleen Beck. And then if there's someone else who would like a second two minutes--is that a hand raise? Okay, Kathleen.

Kathleen Beck: I came up earlier and I spoke a little bit about the economic question because I noticed that one of the objectives--the FERC process is in reference to is the project meet the economic needs of the consumer. The Nation's economic health and welfare I think is how it's worded.

How does this superhighway benefit the citizens? And which nation does this Corridor serve? When that question is asked, I'm wondering which nation you're talking about. There seems to be a conflict of interest. If you want to serve the needs of the people and the FERC process is actually, going to help serve that interest of the people, it seems that you're going to get a very different answer.

It seems if you want to serve the needs of the people then you would put your energy--figuratively and literally, into a project like rooftop solar that would be more economically feasible and would keep the economics in basin. In other words, all the jobs, the money that could be produced here would be served by rooftop solar as opposed to exporting the dollars out of the region.

So it seems to me the Department of Energy should support economic security. And I would ask you to please consider rooftop solar; there are several people who have plans. One of those people within the Region, his name is Jim Dell and you can go to jimdell.com. It's for San Diego specifically; he's done the whole economic feasibility study. Thank you.

Jody Erikson: Yep, go, two more minutes.

Speaker: Thank you. Just a couple of other points I wanted to make to back up what I said previously. First of all, the designation makes the assumption that the process in place is broken and it is not. The State process is not broken. In fact, the 2006 National Electric Transmission Congestion Study identifies four Southern California energy projects that are needed to secure energy reliability in the near term. The CPUC has permitted, or is in the process of permitting all but one of these projects, guess which one? Sunrise. All but one of these projects has been especially controversial, Sunrise.

So the CPUC system is not broken. As I stated before, this Corridor--proposed Corridor is all about Sunrise that's all that's pending. Another point, this transmission line is supposed to bring in renewables. You need to know that, last month SDG&E lobbied heavily against the Bill in Sacramento that would've increased the State's removal mandate to 33% by the year 2020, 13 years from now. SDG&E lobbied heavily against that Bill.

Yet at the same time, they're saying they want to bring in renewables from Imperial County, an unproven source of energy. So such equivocating by the Utility has caused many to speculate that a more sinister plot might exist. That Sunrise, which is the reason for this Corridor designation, is less a way to end transmission congestion, less a way to pioneer renewable energy and *more* a way for Sempra to profit from cheap Baja power, sold outside of SDG&E service territory. Thank you for my two minutes.

Jody Erikson: Wait I got one more whose last name I couldn't say. Okay two more.

Denis Trafecanty: Denis Trafecanty San Ysabel. I am in the San Diego Regional Chamber of Commerce territory and I have a business. And I just want to call your attention to the fact that the various chambers and economic development council and all those people that came here are based here in San Diego. You didn't go out to the backcountry, you didn't ask the Borrego Springs Chamber, you didn't ask the Julian Chamber of Commerce. All the planning groups in South County, which I was a part of attending their meetings, Boulevard, Alpine, [unintelligible], Press, Harveson Canyon [ph], Alpine all voted against this Corridor Sunrise Powerlink. And public policy people have come in to speak for Presidents--you know it's kind of sinister to me.

I know that SDG&E and Sempra finance a lot of groups. I'm a businessman and they finance and sponsor a lot of groups here in San Diego to promote business. And those are groups that are coming up in front of you to talk to you about it.

But if you took this out to the backcountry--there was a meeting in Borrego Springs just a few months ago and 600 to 700 people showed up, you should've been there heard what the people have to say. Take this meeting out where the people are going to be affected. They aren't the people that need power. This is no growth. The area in San Ysabel and Julian and Borrego Springs, those are all no-growth areas. You're trying to drive this right down the throats of people who bought those lands, or we preserve those lands for the purpose of our grandchildren and their grandchildren. Please think about what I said.

What is your legacy going to be? I know what mine's going to be. Thank you.

Jody Erikson: Okay so that we don't get into a back and forth I have one more and I think you're new. So please say your name.

Bob Allan: My name's Bob Allan. I thank the Department of Energy for allowing San Diegans and people in the Southwest to comment on this proposal.

If I was a decision-maker from Washington with an open mind trying to make the correct decision about 3,000 miles away, after hearing about and making a judgment about these issues, such as the need for the designation of a National Corridor concept, national security, lack of supply, potential blackouts, local opposition, impacts on parks and landowners, [unintelligible], lack of local power generation, I might conclude that operation's a bad [inaudible]. I might not recognize the business profit motive that created the controversy in the first place.

At most, our power comes out of the area security of our power; reliability of our power is substantially concentrated in Sunrise. Even national security is affected by putting so many of our energy eggs in one basket. Reliability would best be supplied locally with new efficient gas powered power plants to replace inefficient, phased out [inaudible] and Chula-Vista based front power plants, both of which are closing.

The prospect of the National Corridor will allow San Diego Gas & Electric Company to bring in most power it needs and unfortunately, this would have a chilling effect on people who would like to build local power plants. Thank you.

Jody Erikson: Thank you. Okay--that's all the people we have. I'm going to have DOE do a quick closing. And I'd like to thank you all for being here and for being nice about stopping at two minutes and not making me stand up and poke you in the eye. So thank you.

David Meyer: Well, we've heard a diversity of views here today and--we appreciate your coming out to give us your views. We will take these comments into account. The comments will go into our public record. If you have--excuse me if you have additional comments that you want to give us in writing, we would appreciate that very much. So we look forward to receiving further comment from those of you who wish to take advantage of that opportunity. Thank you very much.