

Power of Vision

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Monday, October 18, 2010

James D. Boyd, Presiding Member
Anthony Eggert, Associate Member
Carlsbad Siting Committee
California Energy Commission
1516 9th Street
Sacramento, CA 95814

DOCKET	
07-AFC-6	
DATE	<u>OCT 18 2010</u>
RECD.	<u>OCT 18 2010</u>

Re: Carlsbad AFC (Docket No. 07-AFC-6): (Intervener Briefs)

Honorable Commission:

Power of Vision has reviewed the Staff Reply Brief, which was posted on October 11, 2010. The Staff Reply Brief failed to respond to any issues raised by Power of Vision. Power of Vision finds this disturbing because it either means that Staff did not review the Power of Vision Brief, or that Staff does not consider Power of Vision worthy of a reply.

The Commission granted Intervener Status for Power of Vision in 2008, finding that its interests were relevant to the proceedings. Although some issues raised by Power of Vision were also raised in the City Brief, many of the issues raised by Power of Vision were unique issues, worthy of a separate response by Staff. Since Staff did not respond to these issues, we ask that the Commission find that there is no dispute as to those issues, and rule in favor of Power of Vision. At the very least, we ask that the Commission not mistakenly believe that the Power of Vision Brief was identical to the City Brief, and therefore not worthy of review.

We also ask, in light of CEC legal council's recent request to call attention to the recent U.S. Ninth Circuit Court of Appeals case concerning liquified natural gas (LNG), to submit the attached San Diego Union Tribune article dated Sunday, October 17, 2010 concerning the decommissioning of the Chula Vista power plant and power requirements for San Diego County. The article is relevant as it speaks to the need for additional electrical generation facilities in the San Diego County load pocket.

Sincerely,

Arnold Roe, PhD
Julie Baker

Attachments
Cc: proof of service

Unneeded South Bay Power Plant OK'd for demolition

By [Onell R. Soto](#)

Originally published October 16, 2010 at 10:32 a.m., updated October 17, 2010 at 9:17 p.m.

The state's grid operator has given the go-ahead for the demolition of the South Bay Power Plant, opening the way for the removal of one of the biggest obstacles to the redevelopment of Chula Vista's waterfront.

The move is a turnaround from [a decision just two weeks ago to keep the plant running next year](#).

Politicians and activists in the South Bay have long worked to remove the plant, which they see as a health hazard and an eyesore impeding economic development.

They went into overdrive in the last couple of weeks, lobbying the grid operator to reconsider while hiring lawyers to assess their legal options.

Ultimately, the California Independent System Operator relented, saying it had overestimated how much power the region needs.

In a [letter Friday](#) to plant operator Dynegy, the ISO said that it has reanalyzed the power situation in the county and concluded the plant isn't needed.

The agency used more recent figures from the California Energy Commission, said spokesman Gregg Fishman.

"When we plug those numbers into the analysis we do, we get a different number," he said.

And that means that the plant isn't needed under a status called RMR, or Reliability Must Run.

That status was the only thing keeping the aging plant open, said Dynegy spokesman David Byford.

"Our operations will cease at the end of the year," he said.

It will take about a year to get the permits needed to demolish the plant, so the two-year teardown won't likely start until 2012, he said.

"Given our lease with the port, our agreement is to take part and proceed with a responsible, environmentally responsible, decommissioning and demolition," he said.

The timing works for the city's redevelopment plan, said Councilwoman Pamela Bensoussan.

The city needs approval from state lands and coastal commissions for its bay-front redevelopment plan, and that is expected to take 18 months.

The key thing, though, is knowing the power plant is closing.

"We wanted certainty," she said. "We can now attract viable businesses with the certainty of knowing that plant is going away. This is key to the redevelopment of Chula Vista."

The move was also cheered by activists, including Laura Hunter of the Environmental Health Coalition, who have been pushing for the plant's closure because of impact to poor communities downwind.

"We're thrilled the ISO took another look," she said. "We appreciate they were open to the issues we were concerned about."

The plant has also come under fire from members of the state Coastal Commission because its cooling system kills fish and other aquatic life.

Meanwhile, the plant has become less crucial to the region as new, more efficient plants have been built, including one in Otay Mesa which began operations about a year ago, said [San Diego Gas & Electric](#) Vice President Jim Avery.

"These are some of the most state-of-the-art, environmentally friendly power plants in the world," said Avery, who oversees where SDG&E gets the power it sells. "It's through the addition of these resources that San Diego is becoming a cleaner and better place to live."

SDG&E, he said, has been working on making South Bay obsolete, by upgrading lines and substations and getting new sources of electricity, both power plants and transmission lines.

The South Bay shutdown is related, in part, to progress on the Sunrise Powerlink, designed to bring 1,000 megawatts into the county from Imperial Valley.

The [Forest Service](#) on Thursday [denied challenges to approval of construction through 49 miles of the Cleveland National Forest](#).

SDG&E says electricity from South Bay is too expensive. It does not buy power from it. Rather, the plant has a contract with the ISO for power to deal with needs on very hot days.

But the experience on a hot Monday a few weeks ago — when San Diego used 4,684 megawatts, more power than ever before — convinced the grid operators that the plant isn't needed.

Looking at what happened on Sept. 27, analysts concluded that they overestimated how much power the region needs, said Steve Berberich, the ISO's chief operating officer.

"These units are no longer needed," he said.

The power plant was built in 1960 and burned oil for many years. A retrofit later allowed it to burn natural gas. But it fell into disuse as new plants and power lines were built, increasing the variety of sources of power for the region.

During the deregulation of the state's power industry, SDG&E sold South Bay to the Port of San Diego in 1999 for \$110 million. The port leased it to [Duke Energy](#) and later Dynegy under a plan to eventually dismantle it.

Last year, more than half of its capacity, 395 megawatts, were decommissioned when another plant, the Otay Mesa Energy Center opened.

It now has the capacity to generate 307 megawatts.

In January, 50 years after it opened, it won't produce any power at all.

"There is a time and place for everything," Avery said. "It has served its time."



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**APPLICATION FOR CERTIFICATION
FOR THE CARLSBAD ENERGY
CENTER PROJECT**

**Docket No. 07-AFC-6
PROOF OF SERVICE**
(Revised 6/14/2010)

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DECLARATION OF SERVICE

I, Julie Baker, declare that on October 18, 2010, I served and filed copies of the attached letter to the Commissioners and San Diego Union Tribune Oct. 17, 2010 article on generation needs in San Diego County. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at:

[<http://www.energy.ca.gov/sitingcases/carlsbad/index.html>]. The document has been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission’s Docket Unit, in the following manner:

(Check all that Apply)

For service to all other parties:

sent electronically to all email addresses on the Proof of Service list;

by personal delivery;

by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked “email preferred.”

AND

For filing with the Energy Commission:

sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (preferred method);

OR

depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

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I declare under penalty of perjury that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Julie Baker