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SDG&E official faces foes of Sunrise Powerlink State hearing opens with grilling of VP

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San Diego Gas & Electric's top official for the Sunrise Powerlink project yesterday faced his first formal cross-examination from opponents of the proposal, as state regulators opened hearings into the power line plan.

The opponents began by peppering James Avery, a senior vice president of SDG&E, with questions regarding the utility's claim that the line would help the region meet California's requirements for renewably generated electricity, as well as improve reliability.

Under questioning from a San Diego consumer group, Avery said he had little knowledge of a key provider's ability to deliver renewable energy over the proposed line.

SDG&E has cited its solar contract with Stirling Energy Systems as a key justification for the project, saying that Stirling might provide up to 900 megawatts of electricity, equivalent to almost two modern fossil-fuel power plants.

Critics of Sunrise have noted that Stirling's technology has not been commercially demonstrated and the company is reportedly scrambling to

secure financing for its project. Stirling proposes to build thousands of small engines that would concentrate the heat of the sun to drive electric generators.

"Would you be surprised if Stirling filed for Chapter 11 bankruptcy protection in the next six months?" Michael Shames, executive director of the Utility Consumers' Action Network, asked Avery.

"I don't know," responded Avery, who also conceded he has not been monitoring Stirling's ability to deliver on its electricity supply agreement.

Avery also said that up to 300 megawatts of renewable power from the Imperial Valley probably could be imported over existing power lines, without Sunrise.

SDG&E officials also said, however, that they had in hand thousands of proposals for other renewable energy projects under review that would require the proposed power line.

The Sunrise Powerlink would begin in Imperial County, cross Anza-Borrego Desert State Park and move westward across North County to terminate a few miles from the ocean. SDG&E estimates the cost of the project at \$1.3 billion.

The utility says the line is primarily needed to guarantee electric reliability

for the region, where demand is growing, and that it could play a key role in boosting renewable energy projects expected in Imperial County.

Without the line, the utility says San Diego would be forced to rely more on fossil fuel-burning power plants, which the state is seeking to discourage by requiring 20 percent of all electricity from renewable sources by 2010.

Opponents of the project say the line is unnecessary, too expensive and would be environmentally damaging. They also argue that greater development of renewable power and conservation within San Diego can meet regional needs more cheaply and reliably.

The hearing yesterday was overseen by Steven Weissman, a veteran administrative law judge for the Public Utilities Commission, and Dian Grueneich, the PUC commissioner who has been assigned to the case. A final decision on the project by the five-member PUC is scheduled for early next year.

Grueneich took particular interest in the possibility that SDG&E's proposed line might be used to transport electricity generated by burning coal, which is the dirtiest of the fossil fuels and which the PUC is seeking to limit. She asked about estimates that up to 1,000 megawatts of

coal-fired electricity might be imported over Sunrise.

Avery said SDG&E would be barred from signing long-term contracts for coal-fired electricity – under PUC regulations – but left open the possibility of some short-term agreements. But he emphasized that renewable projects were queued up, in effect, for first priority on the line, although the utility could not ban electricity from any source once the line was built.

Shames, who led off the cross-examination, honed in on what would happen if the project were approved and exceeded cost estimates.

Avery asserted that should costs exceed the proposed \$1.3 billion budget, SDG&E would approach federal regulators – not the PUC – for approval of additional funds.

“That is first we heard SDG&E say that the PUC has no way of enforcing a cap on this project,” Shames said later.

Avery said he welcomed the hearings because they provided an important venue for the utility to make its case

for Sunrise. Asked about his lack of knowledge regarding several responses provided by SDG&E to other parties in the case, he said the utility had thousands of inquiries and it was impossible for him to oversee all the responses.

In addition to questioning from UCAN, Avery was cross-examined by an attorney from the Division of Ratepayer Advocates, a unit within the PUC that opposes the project, and from an attorney representing the Sierra Club and the Center for Biological Diversity, also an opponent.

Steve Siegel, representing the environmental groups, asked Avery if he could guarantee that all electricity carried by Sunrise would be from renewable sources.

“I’m not in a position to say that,” Avery said. He noted that jurisdiction of the line would fall to the California Independent System Operation, which oversees the state grid.

Led by the Sierra Club and community groups resisting the project, about 35 people demonstrated their opposition

to Sunrise outside the County Administration Building before yesterday’s hearing.

Inside, about 100 people filled the Board of Supervisors chamber to hear opening statements and the cross examination, which was conducted under oath.