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AIR POLLUTION CONTROL BOARD

March 18, 2008

CPUC/BLM
c/o Aspen Environmental Group
235 Montgomery Street, Suite 935
San Francisco CA. 94104

**RE: Draft EIR/EIS and Proposed Land Use Amendment
Sunrise Powerlink Project, SCH No. 2006091071, DOI Control No. DES-07-58**

Dear Project Managers:

The Imperial County Air Pollution Control Board of Director's (ICAPCD Board) appreciates the opportunity to formally express our concerns related to the construction of a new 500 kV electrical transmission line from the Imperial Valley Substation located in Imperial County to a new substation to be located in San Diego County, and other projects called "connected actions" related to the Sunrise Powerlink Project (SRPL).

As pointed out in the ICAPCD Board's comment letter in September 2006, and the draft EIS Executive Summary, the ICAPCD Board's primary concern with this proposed project has been that this project would allow further fossil fuel burning facilities to be built in the Mexicali Valley; where air quality standards are less stringent than those in California, further degrading the air quality in Imperial County therefore, impacting the health of residents on both sides of the border.

On page ES-9 under Connected Actions and Indirect Effects, the EIR/EIS evaluates five projects that are closely related to the Proposed Project as to be considered part of the project. Of those five projects one is a proposed wind project in northern Mexico's La Rumorosa area. It then goes on to describe all the projects except the La Rumorosa wind project as being connected actions, whereas the La Rumorosa wind project is identified as an indirect effect based on the sole reason that it would be located outside the United States. Hence, even though the La Rumorosa wind project is considered closely related to the Proposed Project, but since it is located in Mexico, it does not need the same level of scrutiny when evaluating potential environmental impacts. The ICAPCD Board disagrees with this fundamentally flawed approach to assessing interrelated projects and request that the potential for outside U.S. projects connecting to and utilizing this Proposed Project infrastructure be assessed appropriately and those projects utilizing the Proposed Project infrastructure meet all the same standards as those located in the United States.

Once again, the ICAPCD Board is very concerned that if these proposed modifications to the existing I.V. Substation are completed, and available transmission capacity is increased, this project will become a platform for building additional fossil fuel burning facilities just south of the border in the Mexicali Valley area that do not have to meet the same stringent air quality standards as in the United States. The end result could be further degradation of air quality in Imperial County, which does not meet several state and federal air quality standards, and exacerbate the negative impact on the health of the residents in Imperial County.

The ICAPCD Board has previously submitted opposition comments on the Notice of Application for a Certificate of Public Convenience and Necessity and on transmission line project's that were proposed and subsequently approved by the applicant, San Diego Gas & Electric Company (SDG&E) [Environmental Assessment (EA) reference Nos. CA-42892 and CA-42893, letter dated September 26, 2001, to DOE and also a letter dated October 8, 2001 re: application 01-09-007] as it pertained to accommodating two merchant transmission lines to connect the power generating facilities being built in Mexico by Sempra Energy Resources and Baja California Power, Inc. (InterGen) to the electrical power grid operated by SDG&E in southern California. Again, if this Proposed Project is approved it will accommodate additional power generators in Mexico to connect to the U.S. power grid and not necessarily solely wind projects; it may include future fossil fuel burning facilities.

The ICAPCD Board's main focus continues to be protecting the health of the border region residents. The ICAPCD Board will continue to oppose any electrical energy generation project or portion of a project that does not implement Best Available Control Technology (BACT) and does not offset their emissions or pay in-lieu of fee to be used to offset those emissions that may impact Imperial County and its residents.

It should be noted that the ICAPCD Board does support renewable energy projects provided that they too meet all the applicable standards as expressed above. As noted in the EIS/EIR, Basic Project Objective 3 states to accommodate the delivery of renewable energy to meet State and federal renewable energy goals from geothermal and solar resources in the Imperial Valley and wind and other sources in San Diego County. This objective does not specify where the wind source will come from, rather it be in Imperial County, San Diego County or Mexico; presumably it is Mexico's La Rumorosa wind project that this document has stated is an indirect effect but clearly is an objective. The Imperial County Planning and Development Services has commented previously that there had been no applications submitted or approved for any of these renewable sources to the best of our knowledge this still holds true as the ICAPCD also has not received any applications for Authorities to Construct.

Under ES.5.1 Regional and Project-wide Impacts (Air Quality) there are two (2) Significant and Unmitigable Effects of the Proposed Project: 1) Greenhouse gas (GHG) emissions from project related construction activities and operation, maintenance, and inspection activities, and 2) Construction emissions. The proponent of the Proposed Project are proposing mitigation measures to reduce the above mentioned emissions, and these are discussed in Volume 3 Section D.11 - Air Quality and more thoroughly discussed in Volume 6, Appendix 12. The following are comments related to these two sections:

General:

Throughout this EIS/EIR draft document, relating to Air Quality sections on mitigation reference is made to ICAPCD CEQA Air Quality Handbook (ICAPCD, 2005). Please be advised the ICAPCD Board adopted a revised ICAPCD CEQA Air Quality Handbook in November 2007. Please review all air quality monitoring mitigation measures proposed to ensure that they meet the guidance in the 2007 CEQA Air Quality Handbook.

Construction Impacts (Volume 3 page D.11-20):

Impact AQ-1: It mentions that the anticipated time to build the Imperial Valley Link portion of the project is expected to take nine months, which would allow certain equipment to operate under the Statewide Portable Equipment Registration program and the ATCM. It should be noted that operation for more than 12 months at one location would require these pieces of equipment to be permitted locally. If the PERP equipment is not home based in Imperial County under the PERP program guidance, then owners/operators of said equipment must notify the ICAPCD five days in advance of operating the equipment in Imperial County. The ICAPCD will require a copy of all PERP registered equipment's permit and conditions of operation prior to operation in Imperial County.

Mitigation Measures for Impact AQ-1 (Volume 3 page D.11-22):

AQ-1a - Suppress dust at all work or staging areas and on public roads. As mentioned, the ICAPCD requires a Dust Control Plan (DCP) that describes the dust mitigation measures to be utilized during the project. The ICAPCD would like the DCP submitted 30 days prior to start of project for review purposes.

AQ-1b - Use of low-emission construction equipment. When this document was developed, the Tier 2 rating for California Emission Standards for Off-Road Compression-Ignition Engines was acceptable under California Code of Regulations, Title 13. However, since we are now in 2008, and the project may or may not start construction in 2008, the same Code as mentioned above and as spelled out in the CARB Statewide Portable Equipment Registration Program will require Tier 3 ratings on all engines. This mitigation measure needs to be revised to state that equipment will meet Tier 3 and current CARB standards.

Operational Impacts (Volume 3 page D.11-23):

Impact AQ-3: Power generated during transmission line operation would cause emissions from power plants (Class III). The first sentence in this section states "The Imperial Valley Link would facilitate transmission of power from power plants, including those within and *near* Imperial County". This section also goes on to acknowledge that there will be adverse impacts. This gets to the root of our concerns. Power plants located near Mexicali will utilize this new expanded transmission capacity - these plants do not have to necessarily be renewable energy and the likelihood of fossil-fuel burning facilities utilizing this expansion is great. Another reason that operational emissions from existing and proposed facilities in Mexicali should have their air emissions appropriately analyzed and addressed in this EIS/EIR, including mitigation measures and potentially offsets.

Environmental Impacts - 230kV Future Transmission System Expansion (Volume 3 D.11.11.2):

This section is troubling based on the sheer fact that this Proposed Project is not even constructed yet and already expansion is being discussed. There must be some forecast projections done by the proponents that warrant this discussion and the ICAPCD Board would like to see those discussed more thoroughly in the EIS/EIR, by explaining necessity and reasoning for such projected expansion.

Imperial Valley Link Alternatives Impacts and Mitigation Measures (Volume 3 D.11.14 page D.11-57)

Impact AQ-4 - mitigation measures for Project activities would cause a net increase of Greenhouse Gases. AQ-4a and AQ-4b mention offsetting construction and operational phase GHG emissions, yet it does not say amount needed to offset, offset ratio, and source of these credits. This all needs expressed clearly and the ICAPCD Board would like these transactions to be completed prior to construction.

G.2 - Applicable Cumulative Projects and Projections (Volume 5 Table G-1, page G-4 to G-6):

This table specifies the proposed projects that could be considered Aconnected action or Aindirect effect. The La Rumorosa wind project is mentioned and status is that it is in planning stages. What should happen if a fossil-fueled power plant, new or existing wishes to utilize increased capacity that would be available at the Imperial Valley Substation? This is a concern due to another project listed on the same page - North Baja Pipeline expansion project. The ICAPCD Board is on record as opposing this project to allow increase flows of natural gas from the LNG terminal on the Mexico coast to be imported through Mexicali Valley and into the U.S. via Imperial County. Several air districts are opposing this construction until impacts associated with burning gas from LNG can be properly assessed and mitigation measures are established and implemented. This issue is called "hot gas". The gas has a higher BTU rating and thus produces more Nox emissions when burned than existing U.S. quality natural gas. The ICAPCD Board fears that the increase in available natural gas in Mexicali region (along with increased transmission capacity through Imperial County) will translate into addition power plants being constructed to utilize this gas for power production and will send the majority of the generation north into the California electrical grid - all the while, these plants would not be meeting the stringent standards that are placed on like facilities in California.

Cumulative Scenario and Impacts - G.4.1.1 Imperial Valley Link Alternatives (Volume 5 page G-100):

The draft EIS/EIR states in the last paragraph on this page: the Imperial Valley Link Alternatives would not result in the elimination of any of the cumulative impacts identified for the Proposed Project, nor would they result in any new cumulative impacts. There would be no change in the contribution by alternatives to the significant cumulative impacts identified for the Proposed Project in Table G-4, or in the potential to combine with other projects to result in cumulative impacts from the following issue areas: air quality.

The ICAPCD Board strongly disagrees with this statement for several reasons such as those mentioned above. The ICAPCD Board believes the LNG pipeline expansion project is another step in the process to facilitate additional power generation facilities being built just across the international border from Imperial County. Again, it has not been determined what the impacts of Ahot gas will be on fuel burning sources and control equipment. However, it is a fact that this new source of gas has a higher Wobbe Index that translates into higher Nox emissions (precursor to Ozone). The ICAPCD Board insists that Table-G.5 reflect Air Quality as a cumulative impact and it be assessed accordingly.

It should be noted that on November 23, 2007, EPA published a proposed finding that Imperial County did not attain the 8-hour Ozone NAAQS. This was based upon ambient air quality data from years 2004-2006. As a result, Imperial County was reclassified as a "moderate 8-hour ozone non-attainment area". This requires Imperial County to attain the Ozone standards as expeditiously as practicable but no later than June 2010. It also means that California must submit State Implementation Plan (SIP) revisions to meet the requirements. EPA also has finalized their finding of Imperial County as a Aserious non-attainment area for PM-10. Both of these actions will require California and Imperial County to submit approvable SIPs by the end of 2008.

As for State standards, Imperial County is Moderate non-attainment for both PM10 and Ozone. The City of Calexico alone has been designated as non-attainment for both CO and PM2.5.

Comparison of Alternatives - Section H:

Imperial Valley Link (Volume 5, Table H-2 and Table H-3, page H-10 to 13):

All three of the discussed alternative routes (FTHL Eastern Alternative, SDG&E West of Dunaway Alternative, and SDG&E West Main Canal-Huff Road Modification Alternative) have the same air quality impacts listed: AQ-1 and AQ-4 for the Significant Unmitigable (Class 1) Impacts. While the majority of the impacts are during construction phase, the ICAPCD Board feels that by instituting further mitigation measures as described in the Imperial County Air Quality CEQA Handbook (November 2007) would assist in reducing construction emissions even further.

Mitigation Monitoring, Compliance, and Reporting Program (MMCRP) - Section I (Volume 5 page I-1):

General comment: The ICAPCD Board would like to re-enforce the fact that the Imperial County Air Pollution Control District has the jurisdictional authority over all air quality matters for the Salton Sea Air Basin in Imperial County. That being said, provided the air quality mitigation measures that get included in the final MMCRP meet the Imperial County Air Quality CEQA guidance and meet current ICAPCD rules and regulations, then ensuring that those measures are continually being implemented will be paramount. It appears that the MMCRP adequately establishes roles, responsibilities and monitoring procedures for the CPUC, BLM, Environmental Monitors, and the applicant - SDG &E. Failure to meet any ICAPCD requirements for any portion of the Proposed Project within Imperial County will be grounds for enforcement actions being taken by the Imperial County APCD.

I.5- Mitigation Compliance Responsibility (Volume 5 page I-4):

The last paragraph in this section states: The applicant shall inform the CPUC, the BLM, and their monitors in writing of any mitigation measures that are not or cannot be successfully implemented. The ICAPCD requests to be notified in writing prior to any proposed changes to any mitigation measures listed for Air Quality for the Proposed Project.

Appendix 12 - Air Quality - Full Text of Mitigation Measures (Volume 6 page Ap.12-89):

AQ-1a: Suppress dust at all work or staging areas and on public roads.

Provisions a - j meet the requirements as specified in the Imperial County APCD CEQA Air Quality Handbook. Provision (j) - filing of Dust Control Plan, needs to be done prior (30 days) to any construction activities taking place.

AQ-1b: Use low-emission construction equipment:

When this document was developed, the Tier 2 rating for California Emission Standards for Off-Road Compression-Ignition Engines was acceptable under California Code of Regulations, Title 13. However, since we are now in 2008, and

the project may or may not start construction in 2008 the CARB Statewide Portable Equipment Registration Program will require Tier 3 ratings on all engines. This mitigation measure needs to be revised to state that equipment will meet the latest Tier rating (Tier 3) standards as required by the California Air Resources Board.

AQ-1c: Comply with Imperial County dust control requirements:

This measure should be expanded to include a statement that the project will comply with all ICAPCD rules and regulations - not just Rule 800 (ex. Rule 401 - Opacity, Rule 407 - Nuisance).

AQ-1d: Implement dust reduction measures:

“Prohibit” construction grading on days when the wind gusts exceed 25 mph to the extent feasible to control fugitive dust. The wording to the extent feasible needs justification - if the winds exceed 25 mph - all construction grading shall be stopped until such time as winds drop below this threshold.

AQ-1e - 1g:

No Comments.

AQ-1h: Obtain Nox and Particulate Matter emission offsets.

The ICAPCD Board supports this mitigation measure as a requirement of the Proposed Project. However, it is unclear where the emission credits will come from. SDG&E shall obtain the offsets, and the ICAPCD will require that said offsets be relinquished to the ICAPCD prior to construction, not to be held by SDG&E. We recommend that you meet with ICAPCD staff to establish an agreed upon offset package.

AQ-3a: Offset emission increases of PM10 and Ozone precursors:

The power plant operator shall achieve emission reductions in PM10, PM2.5, or particulate matter precursors and ozone precursors to fully offset the emission increases associated with biomass/biogas or fossil fuel-fired electrical generation facilities. This mitigation measure is confusing. Is there a particular power plant (singular) that is targeted, or is it any generating facility? How will the Proposed Project proponent ensure that these facilities, including those located in Mexico, fully offset? How will assurances be made that the offsets meet all requirements in the Clean Air Act and ICAPCD rules and regulations?

AQ-4a: Offset construction-phase greenhouse gas emissions with carbon credits:

It is unclear where the Proposed Project will obtain the 55,000 tons for each year of the two years of construction. Will these be obtained from the California Climate Registry or another source? Once again, the ICAPCD Board believes the offsets should not be held but should be relinquished as to not be utilized for future endeavors, thus ensuring a net air quality benefit.

AQ-4b: Offset operation-phase greenhouse gas emissions with carbon credits:

Basically the same response as in AQ-4a above with the exception to the related following statement in this section reflects that the proponents recognize that there will be impacts from generating facilities outside the U.S. SDG&E shall follow established methodologies to report indirect GHG emissions from energy imported and consumed to support operation of the Proposed Project and indirect GHG emissions from transmission and distribution losses associated with the Proposed Project. If the Proposed Project is going to have indirect GHG emissions from energy imported it is only logical that those same facilities that are producing GHG emissions are also producing criteria pollutants as well that can adversely impact the air quality in Imperial County. It appears that in this draft EIS/EIR that there is a pick and chooses approach to addressing emissions that may come from across the border. This is at the very heart of our concerns. The applicant, CPUC, and BLM know there are going to be emissions from current and proposed future generation facilities in Mexico and dismiss the associated emissions as indirect in association with this proposed project. There needs to be a

requirement that any generation facility that utilizes any component or connecting component of this Proposed Project be required to install and maintain Best Available Control Technology and provide offsets in accordance to U.S. standards.

AQ-4c: Avoid sulfur hexafluoride emissions:

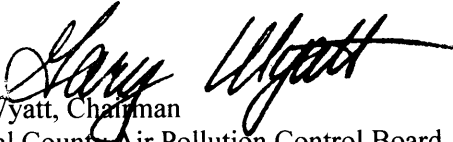
No Comments.

AQ-4d: Offset greenhouse gas emissions from power generation with carbon credits:

Essentially same comment structure as that in AQ-3a above.

In Closing, the ICAPCD Board urges the CPUC and BLM to carefully consider all submitted comments in regards to the proposed Sunrise Powerlink Transmission Project and make it a priority to take into account the health and well-being of the residents of Imperial County and the border region.

Sincerely,



Gary Wyatt, Chairman
Imperial County Air Pollution Control Board

cc: Billie C. Blanchard, CPUC, Project Manager
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Imperial County Board of Supervisors
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