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TO: CPUC Commissioners, CPUC Energy Division Staff

FROM: Vote Solar, Sierra Club, Clean Coalition, California Environmental Justice Alliance, Environmental Defense Fund, Environment California, Union of Concerned Scientists, CREDO and 350.org

Date: August 20, 2014

RE: Proceedings R.12-03-014 and A.14-07-009 - Open Letter to the California Public Utilities Commission Urging Rejection of SDG&E's Misguided San Onofre Nuclear Generating Station (SONGS) Replacement Plan

Dear CPUC Commissioners and Energy Division Staff:

On behalf of our collective 16,150 members who signed the attached letter, we urge you to reject or suspend San Diego Gas & Electric's plan to replace the shuttered San Onofre Nuclear Generating Station (SONGS) with 600 megawatt (MW) of new gas generation. This unnecessary expenditure in fossil power would come at a major cost to ratepayers, public health and our climate. Instead, we ask that you ensure that there is an accurate accounting of need and open procurement process that allows clean energy options to compete to meet the energy needs of SDG&E customers.

SDG&E's plan to add 600 MW of new gas is inconsistent with state direction. The Commission's March 2014 Long-Term Procurement Planning (LTPP) decision urged SDG&E to look first at "preferred" clean resources and allowed for competitive

bidding between these clean resources and their conventional counterparts. Now, overshadowing opportunities to procure renewables, energy efficiency, demand response, energy storage and other pollution-free energy options, SDG&E is asking for the green light on a unilateral contract to purchase more fossil-based generation.

In addition to disregarding the Commission's order for a competitive process, SDG&E's plan does not consider newly approved transmission projects that are expected to reduce dramatically local generation needs by 800 to 1,600 MW. If the Carlsbad proposal is approved, Southern California consumers who are already paying for this new transmission would be paying billions of dollars for expensive, potentially unnecessary gas generation and be locked in for decades.

SDG&E's gas plan would also come at a significant cost to public health and climate. At a time when California is working to rapidly decarbonize the electric sector, SDG&E is proposing to push ahead with another polluting and unnecessary power plant. The California Air Resources Board has already reported an increase in climate pollution from the increase in natural gas generation in the wake of the SONGS closure. Permanently replacing that carbon-free nuclear resource with more fossil power would put California even further behind in meeting its aggressive carbon reduction and clean energy targets – a move with long-term repercussions and trade-offs.

As the need for this power plant does not account for recent transmission updates and there has not yet been an attempt to meet local reliability needs with preferred resources, we strongly urge the Commission to reject or suspend SDG&E's plan for long-term dirty gas generation. The utility should then be required to submit a new procurement plan that reflects current forecasts of local area generation needs and undertake a fair, competitive solicitation that is designed to be open to clean resources.

We urge the Commission to continue California's leadership in climate policy and clean energy innovation and decrease our dependence on the fossil fuels by ensuring that Southern California's energy needs are first met reliably and affordably with clean options.

cc: Governor Jerry Brown
Robert Weisenmiller, Chairman, California Energy Commission
Andrew McAllister, California Energy Commission
David Hochschild, California Energy Commission
Karen Douglas, California Energy Commission
Janea Scott, California Energy Commission
Mary Nichols, Chairman, California Air Resources Board
John Laird, Secretary, California Natural Resources Agency
Matthew Rodriquez, Secretary, California Environmental Protection Agency
Barry Wallerstein, Executive Officer, South Coast Air Quality Management District
Dianne Jacob, Chairwoman, San Diego County Air Pollution Control Board