

Specific “Homework Assignments” from May 17, 2011 IEPR Committee Workshop

Docket Number 11-IEP-1E and 11-IEP-1G

SDG&E – Will Speer

The Chairman requested an update on the status of the Citizens lease arrangement for the Sunrise Powerlink and the length of time it has been at the CPUC.

SDG&E filed a Section 851 application with the CPUC in October 2009. A proposed decision was issued by the Administrative Law Judge (ALJ) on April 26, 2011 that recommends denial of the application on the basis that Citizens’ participation in the project could result in higher costs being imposed on CAISO ratepayers. President Peevey issued an alternate proposed decision on the same day that recommends approval of the application by finding that the potential for a small increase in costs is outweighed by the public interest benefits of the lease agreement. Both proposed decisions are on the CPUC’s May 26, 2011 meeting agenda.

He also asked for a status update on the ARRA generation projects that want to connect to SDG&E’s system.

SDG&E has limited information regarding the “status” of planned new generation projects that are being developed with an expectation of receiving financial support by the American Recovery and Reinvestment Act of 2009 (ARRA). SDG&E has more information regarding transmission infrastructure projects that will support interconnection of those generators to the existing grid. One major transmission infrastructure project in the permitting stage is the East County (ECO) Substation Project that will provide an interconnection hub for planned renewable generating projects. Many of the developers of these projects have advised SDG&E that they intend to file for ARRA funding. SDG&E filed a Permit to Construct (PTC) application for the ECO substation project with the CPUC in August 2009. The CPUC and BLM are lead agencies for the environmental review and anticipate issuing the Final EIR/EIS in July 2011. A final decision is expected by year-end 2011. If approved, the ECO project is expected to be in service in the fourth quarter of 2012 or the first quarter of 2013.

The Sunrise Powerlink project will also facilitate the development of renewable resource projects in the Imperial Valley area, some of which anticipate receiving financial support under the ARRA. The Sunrise Powerlink project has received all major regulatory approvals and permits and is now under construction. The project is expected to be placed in service next year.