



February 8, 2006

Mr. Joseph P. Kennedy II, Chairman and President
Citizens Energy Corporation
88 Black Falcon Avenue
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Boston, Massachusetts 02210
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Subject: Green Path and Relationship to the Proposed SDGE/Sempra Sunrise Powerlink

Dear Joe:

I am very familiar with the Citizens/Imperial Irrigation District (IID) Green Path and SDGE/Sempra Sunrise Powerlink transmission proposals, and am concerned that Citizens may not have the complete picture on the depth of regional opposition to the Sunrise Powerlink. I applaud Citizens' desire to facilitate greater use of renewable energy in Southern California. The Green Path is a potentially excellent vehicle, with the exception of the interface with the Sunrise Powerlink, for achieving this objective. Regrettably, it is likely that Citizens' noble goal will be overshadowed by the perception in California that Citizens is simply facilitating the corporate strategy of Sempra Energy to have ratepayers pay for a transmission line intended primarily to expand market opportunities for Sempra power generation assets in Mexicali, Mexico and Palo Verde, Arizona.

Sempra Energy publicly lauds building export power plants in Mexico citing "*cheap labor, less restrictive environmental requirements, and quick permitting*" (Gas Turbine World, April-May 2004, p. 36). The Sempra and Intergen power plants in Mexicali are the focus of an ongoing U.S. federal lawsuit over inadequate air quality protection measures. Sempra has indicated a desire to build a second export power plant in Mexicali. Citizens will be perceived as Sempra Energy's partner in this ongoing power export venture as a result of Citizens/IID inclusion in Green Path of the 40-mile 500 kV segment of the Sunrise Powerlink from the Imperial Valley substation to the proposed San Felipe substation. I urge you to delete this 40-mile segment from the scope of Green Path and to decouple the Green Path proposal completely from the Sunrise Powerlink.

It is my opinion that SDGE/Sempra is insisting that the Sunrise Powerlink pass through Anza Borrego State Park because this is the only route that provides Sempra Energy with a "straight shot" from Mexicali to Los Angeles that does not pass through IID territory or the urban center of San Diego. Leaving renewables aside for the moment, the Green Path via an upgraded IID transmission Path 42 (east of Salton Sea) is a far less environmentally sensitive and less expensive route than the Sunrise Powerlink for moving power from Sempra's 650 MW Mexicali plant and 1,250 MW Palo Verde, Arizona project to the Los Angeles area. Alternatively, placing a second 500 kV line in the same right-of-way as the existing 500 kV Southwest Power Link

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along the California – Baja California border is a feasible option for moving additional power to San Diego. A yet better option is to carry out a fundamental tenet of the July 2003 *San Diego Regional Energy Strategy 2030* (www.sdenergy.org) and modernize the 700 MW South Bay Power Plant in San Diego. This would delay the need for the transmission capacity represented by the Sunrise Powerlink until at least 2015.

I have had numerous conversations with former IID Energy Manager Glenn Steiger regarding the Green Path. Based on my discussions with Glenn I understand that the Green Path interface with the Sunrise Powerlink is not necessary for Green Path to move forward. I urge you to clarify for California transmission siting authorities, specifically the California Independent System Operator and the California Public Utilities Commission, that the Sunrise Powerlink interface is not a necessary component of the Green Path. Otherwise these authorities may erroneously conclude that the Sunrise Powerlink transmission project must move forward if the Green Path is to be built.

There are a number of viable alternative transmission routes to the Sunrise Powerlink, despite assertions by SDGE/Sempra to the contrary. The Utility Consumers' Action Network (San Diego) and Border Power Plant Working Group (San Diego) contracted with Synapse Energy Economics (Cambridge, MA) to evaluate alternatives to the Sunrise Powerlink in mid-2005. The Synapse project manager for the Sunrise Powerlink transmission alternatives analysis is Mr. David Schlissel at (617) 661-3248, ext. 224. Mr. Schlissel is available to meet with you personally at a time of your convenience to discuss the range of transmission alternatives to the Sunrise Powerlink that SDGE/Sempra is unwilling to identify at this time.

I support Citizens' desire to increase California's use of renewable energy and hope that we can work together closely to advance that goal. Please feel free to call me at (619) 295-2072 or e-mail at billp@borderpowerplants.org if you would like to discuss this letter in more detail.

Best regards,



Bill Powers, P.E., U.S. Co-Chair
Border Power Plant Working Group

cc: Armie Perez/CAISO
Joe Maruca/Imperial County Supervisor
Larry Grogan/ Imperial County Supervisor
John Federowicz/Imperial Irrigation District
Michael Shames/Utility Consumers' Action Network
Paul Blackburn/Sierra Club Energy Committee Chair, San Diego – Imperial County
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