Table 1 - SDG&E reliability needs:UCAN modifications to SDG&E Case 240 (Table H-11) to reflect UCAN positions on proper analytical baseline - page 1 of 2

Line #		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	90/10 Before Adjustments												
1	SDG&E forecast before CSI	4826.5	4917.4	4995.4	5070.5	5145.4	5220.4	5295.5	5368.6	5438.3	5508.8	5580.3	5652.6
2	Post-2008 Energy efficiency (EE) in SDG&E forecast		0	30	86	137	182	223	270	316	363	409.7	456.4
3	SDG&E forecast before post-2008 EE or CSI		4917.4	5025.4	5156.5	5282.4	5402.4	5518.5	5638.6	5754.3	5871.8	5990	6109
4	Updated Ex. U-47 CEC forecast		4972	5051	5128	5206	5285	5360	5435	5510	5584	5657	5728
5	CSI embedded in updated Ex. U-47 CEC forecast		7	10	13	16	20	23	26	30	33	36	39
6	2008 EE embedded in updated Ex. U-47 CEC forecast		878	878	878	878	878	878	878	878	878	878	878
7	Total EE in updated Ex. U-47 CEC forecast		878	909.6	941.2	972.8	1004.4	1036	1066.8	1097.6	1128.4	1159.2	1190
8	Post-2008 EE in updated Ex. U-47 CEC forecast		0	31.6	63.2	94.8	126.4	158	188.8	219.6	250.4	281.2	312
9	CEC updated Ex. U-47 forecast before post-2008 EE or CSI		4979	5093	5204	5317	5431	5541	5650	5760	5867	5974	6079
10	Adjustment to SDG&E Ex. SD-14 forecast for new CEC forecast		62	67	48	34	29	23	11	5	-4	-16	-30
11	SDG&E Ex. SD-14 adjustment for California Solar Initiative (CSI)	0	2	6	10	25	60	100	130	150	150	150	150
12	CEC 90/10 after SDG&E/CPUC post-2008 EE and SDG&E CSI		4977	5057	5108	5155	5189	5218	5250	5294	5354	5415	5473
13	SDG&E Ex. SD-14 Demand Response Committed Programs	29	29	29	29	29	29	29	29	29	29	29	29
14	Additional demand response in SDG&E Ex. SD-15 rebuttal (Brown)		30	30	30	30	30	30	30	30	30	30	30
15	Additional demand response (DR) in UCAN baseline				4	4	4	4	4	4	4	4	4
16	SDG&E AMI in Ex. SD-14 Case 240	0	0	107	161	218.6	228	237.5	243.1	248.9	254.7	260.7	266.7
17	Additional AMI in SDG&E Ex. U-66 GRC testimony		0	35.6	70.6	75.5	78.5	81	82.4	83.7	85.2	87.3	88.7
18	Reduction in losses due to AMI, based on Ex. I-6		0	3.0	6.0	6.4	6.7	6.9	7.0	7.1	7.3	7.5	7.6
19	Subtotal		59	205	301	364	376	388	396	403	410	418	426
20	UCAN's adjustment to SDG&E "Demand Response" section, shown as the resultant reduction to net 90/10 demand		-30	-69	-111	-116	-119	-122	-123	-125	-126	-129	-130
21	Total UCAN adjustment to SDG&E demand forecast numbers		32	-1	-63	-82	-90	-99	-112	-120	-131	-145	-160
22	SDG&E's Ex. SD-14 90/10 after EE, CSI and Demand Response	4797.5	4886	4853	4871	4873	4903	4929	4967	5010	5075	5141	5207
23	UCAN's 90/10 after EE, CSI and Demand Response	4636	4918	4852	4808	4791	4813	4830	4854	4891	4944	4996	5047

24	SDG&E's SD area resources - summer capacity - committed	2924.3	2924.3	3547.4	2845.4	2845.4	2845.4	2845.4	2845.4	2847.4	2847.4	2847.4	2847.4
	Additional in-area resources in UCAN analytical baseline												
25	Palomar inlet chillers		19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
26	2008 peakers			138	138	138	138	138	138	138	138	138	138
27	Additional peaker from 2008 or 2010-12 RFOs						46.6	46.6	46.6	46.6	46.6	46.6	46.6
28	Less largest single contingency (G-1)	-541.5	-561	-561	-561	-561	-561	-561	-561	-561	-561	-561	-561
29	San Diego Area N-1 Import Capability	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
30	Total capacity available to San Diego Area under G-1/N-1 Contingency Conditions, per UCAN	4882.8	4882.8	5643.9	4941.9	4941.9	4988.5	4988.5	4988.5	4990.5	4990.5	4990.5	4990.5
31	San Diego Area Reliability Surplus (Deficiency)	246.8	-35.2	791.9	134.3	150.6	175.3	158.9	134.2	99.6	46.3	-5.5	-56.1

Sources:

1	Ex. SD-14, SDG&E, 1/26/07, Table H-11
2	Ex. SD-6, SDG&E, 8/4/06, p. VI-16, Table VI-1, for values through 2016; post 2016 numbers from SDG&E annual numbers for 2014-16 on same table
3	Line 1 plus Line 2
4	Updated Ex. U-47, 10/07, p. 45, Table 1.5d, SDG&E line
5	Updated Ex. U-47, 10/07, p. 138.
6	Updated Ex. U-47, 10/07, p. 133, Table 24, bottom line, 2008 value
7	Updated Ex. U-47, 10/07, p. 133, Table 24, bottom line, 2008, 2013, and 2018 values, with linear interpolation for the intervening years' values
8	Line 7 minus Line 6
9	Line 4 plus Line 5 plus Line 8
10	Line 9 minus Line 1; positive numbers mean the revised CEC forecast is higher than the SDG&E forecast
11	Ex. SD-14, SDG&E, 1/26/07, Table H-11
12	Line 9 minus Line 2 minus Line 11
13	Ex. SD-14, SDG&E, 1/26/07, Table H-11
14	Ex. SD-15, SDG&E, 6/15/07 Brown rebuttal, p. 7
15	See UCAN brief; based on 30% of minimum increment in contract amendment in Advice Letter 1871-E-A, as described in Ex. U-4
16	Ex. SD-14, SDG&E, 1/26/07, Table H-11
17	Sum of sector savings on last 6 pages of Ex. U-66 for each year, minus Line 16; note that only the smaller of the two commercial sector numbers is used
18	8.54% (per Ex. I-6, table 5 footnotes) of the AMI end-use reduction from Lines 16 and 17; note that the CEC uses 9.6% (updated Ex. U-47, p. 138, ratio of losses to net peak load minus losses)
19	Sum of Lines 13-18
20	Line 19 minus the sum of Lines 13 and 16
21	Line 10 plus Line 20
22	Ex. SD-14, SDG&E, 1/26/07, Table H-11
23	Actual 2007 peak load; for all other years, Lines 21 plus 22
24	Ex. SD-14, SDG&E, 1/26/07, Table H-11
25	Ex. SD-15, SDG&E, 6/15/07 Brown rebuttal, p. 7 (shown as 24 Mw by Brown but 20 Mw by UCAN to reflect G-1 criteria limitations)
26	Ex. SD-15, SDG&E, 6/15/07 Brown rebuttal, p. 7 (assumed by UCAN to not be on line by the summer of 2008)
27	See UCAN brief; based on one CT from either the 2006 RFO for 2008 resources or the 2007 RFO for 2010-2012 in-basin peaking resources
28	Ex. SD-14, SDG&E, 1/26/07, Table H-11, with 2008 value increased 19.5 Mw to reflect Palomar inlet chiller addition
29	Ex. SD-14, SDG&E, 1/26/07, Table H-11
30	Sum of Lines 24-29
31	Line 30 minus Line 23

TABLE 2

57 CONTENTIONS BUT NOTHING THERE:
SDG&E's Distortion and Contortion of the Evidentiary Record

VERBATIM ASSERTIONS MADE BY MICHAEL NIGGLI, SDG&E'S CHIEF OPERATING OFFICER AT OPENING STATEMENT ON FIRST DAY OF HEARINGS[1]	**WHAT THE EVIDENTIARY RECORD ACTUALLY DEMONSTRATES**
1) We've had to make some tough decisions in looking at the Sunrise Powerlink in order to meet the growing needs of our community while complying with the various policy mandates of the state. We understand that the proposed line impacts the environment, some of our customers and the communities we serve. We've worked very hard to reduce these impacts.	**SDG&E didn't consider package of alternatives, such as those proposed by UCAN. (UCAN Brief, Chapter VI)** **It didn't even instruct its staff to investigate a set of more incremental and flexible system enhancements. (Chapter II, A. 3)** **It considered only one, singular transmission project.**
2) The good news is that the completion of this line will provide positive environmental impacts due to the reduction of greenhouse gases and the establishment of additional renewable energy resources -- all at the least cost to our customers	**Inarguably, it will deface a state park, permanently at great cost to all of California's ratepayers. UCAN's options offers savings of $81-92 million annually (Chapter VII). SDG&E's proposal loses money for state ratepayers.**
3) Thirty years ago, San Diego stood at an energy crossroads. We were considering a policy decision at that time of whether to build the Southwest Powerlink to import energy from other areas of the Southwest or build more local generation. Today, SDG&E and its customers are standing at a new energy crossroads, and a choice needs to be made. That choice is not just about imports or local supplies, although that's part of the equation.	**No doubt, SDG&E made the same speech five years ago when it argued vociferously for the Valley-Rainbow line that was ultimately rejected by the CPUC. (Chapter II, A. 3)**
4) Our testimony will show that choice is simple: Do we implement a balanced, reliable and robust energy plan that helps meet the state's policy directives for renewable energy and greenhouse gases, or do we go with the status quo and continually add more local fossil generation to meet our customers' needs?	**False choice. No party has suggested status quo.**

[1] Niggli opening statement; R.T. at 89-101

5) The Sunrise Powerlink is a crucial element in SDG&E's push to achieve a balanced energy portfolio that's clean, reliable and cost-effective. Why is Sunrise the right choice? SDG&E's testimony will show that the experts agree that the Sunrise Powerlink is the right choice for California	**The only experts who have supported Sunrise are SDG&E and ISO witnesses. No independent experts have supported it. Nor the PUC Staff Nor UCAN's. No others at all. (Chapter I, B)**
6) Numerous regional stakeholder groups have focused on technical and economic factors and determined that a new 500-kV line to the east is essential for reliability and access to renewables	**These stakeholder groups only considered transmission routes, not non-wires solutions. (Chapter II, A, 9)**
7) Furthermore, the United States Department of Energy has recognized that this region is deficient in critically needed transmission facilities, and they are not alone	**Either the Green Path North or LEAPS transmission lines would satisfy the DOE directives. The DOE's "corridor" for new transmission covers all of Southern California.**
8) Sunrise Powerlink is widely supported by elected officials, business, labor and trade groups across the state	**All of these so-called groups have economic ties to Sempra. (Exh. U-1, pp. 29-38)**
10) Building upon the work of these peer groups and our experts, as well as the Commission's own planning processes, we will prove that Sunrise Powerlink is the right project at the right time, securing energy reliability for our customers well into the future.	**It didn't. (Entire UCAN Brief along with brief of other most all parties in this proceeding)**
11) We will show that the Sunrise Powerlink is critical to the development of new renewable resources in the region and to the state's green energy goals.	**It didn't. (Chapter V, D)**
12) And we will show that the Sunrise Powerlink is the most cost-effective option for our customers.	**They didn't. SDG&E did not provide an analysis showing economic impact upon San Diego customers, only California-wide. Moreover, the ISO's own numbers showed it has only $7 million/year in benefits unless one assumes that it spawns 2700 MW of renewable energy in the Imperial Valley. UCAN's analysis shows that it is a money loser to the tune of $92+ million per year for 40 years. (Chapter VII.A.6)**

13) With respect to complying with California's energy policies, SDG&E testimony will show that CPUC regulations, federal regulations and California law require investor-owned utilities to follow very specific energy policies, those with respect to resource adequacy, grid reliability, renewable energy resources and greenhouse gases. These policies are the basis for the Commission's long-term planning process, and they have driven SDG&E's decision to pursue the Sunrise Powerlink Project.	**SDG&E initiated work on this powerline project in 2003 – years before the RPS mandate was imposed upon the company and years before there were laws, or regulations regarding greenhouse gases. Its focus group report directed SDG&E to try to sell the project as a "green project". (Chapter II, A. 9)**
14) In fact, the Sunrise Powerlink is the only proposal that helps meet all four of these major policy directives.	**It doesn't. UCAN's proposal does.**
15) Let's examine each of these mandates in greater detail. With respect to resource adequacy, SDG&E's testimony will show that we have established a balanced energy portfolio to meet the long-term needs of our customers. Energy efficiency, demand response, renewables, local generation and transmission are all part of the mix.	**And all of these elements were dramatically underestimated in SDG&E's economic assessment. (Chapter V, A.3 and A.4)**
16) The Sunrise Powerlink is the next step in SDG&E's long-term energy plan, and it complies with the state's loading order.	**It doesn't. Transmission is a last resort. The state gives preference to all other options. (Chap VII, A,.3.a)**
17) Some have suggested that SDG&E has ignored opportunities to reduce demand through energy efficiency, demand response and local renewables and opted instead for the Sunrise Powerlink. The facts just don't support that claim. Our testimony assumes aggressive targets for energy efficiency, demand response, distributed generation and the California Solar Initiative that combined will significantly reduce our need for new generation resources.	**Simply not true. SDG&E underestimates EE by 65Mw in 2013 and 144 Mw by 2018. (Chapter V,A.3.a). It underestimates demand response as well, and has only 15 Mw of distributed generation in the next 11 years combined.**
18) These initiatives include energy efficiency. We have as much as 440 megawatts of new peak demand reductions by the Year 2015 included in our plan.	**The 440 Mw is measured from 2006, and includes already committed measures. SDG&E includes only 316 Mw of savings from future energy efficiency programs (SDG&E's Chapter VI, Table VI-1)**
19) We have demand response, as much as 265 megawatts of new demand response reductions by 2015.	**SDG&E's main case only has 29 Mw. (Its sensitivity case goes up to 278 Mw). But UCAN proves that it should have had at least 95 Mw more above that from programs that it is proposing itself, outside of the Sunrise proceeding. (Chapter V,A.3.b,c)**

20) And we have distributed generation and the California Solar Initiative that will incorporate as much as 150 megawatts of peak additions by 2015.	**SDG&E modeled solar accurately up to 2015, but then assumed *no* more solar at all after that. And there's almost *no* distributed generation. (Chapter V, A.3.a,b)**
21) In addition, our case assumes a substantial amount of local generation, including Palomar Energy and Otay Mesa combined cycle facilities, and new peaking power plants as well.	**Palomar's built and Otay Mesa's under construction already. SDG&E doesn't include any new peaking plants in its main case, but it retires the one currently located at South Bay. There's isn't a net addition of locally generated power. In fact, it is moving San Diego towards importing more than 50% of its electricity at peak, and a lot more than that on average. (Chapter VI, B)**
22) Our testimony will show that our aggressive conservation programs and new local power plants are all needed along with Sunrise to implement these mandates in a cost-effective manner. We intend to show that these resources are all needed and that Sunrise Powerlink is the next logical step for our region.	**SDG&E's application assumes *no* new local power plants aside from Palomar (already in service) and Otay Mesa (approved and under construction) And SDG&E has discouraged the construction of any new baseload power plant for over five years while it pushed for its transmission line. (Chapter V, A.5)**
23) With respect to grid reliability, SDG&E's testimony will show first and foremost that the Sunrise Powerlink case is about improving energy reliability for our customers. The current system is simply inadequate to handle the growing energy demands of our customers.	**This is a truism to which no party disagrees. Distribution and transmission systems are always evolving. (e.g. AMI). But that doesn't mean that a new, solitary 500kV transmission line is the answer.**
24) In the past five years, our customer demand has increased by over a thousand megawatts. This is an annual growth rate in excess of 5 percent, averaging over 200 megawatts of new load per year	**This was a rebound effect from the energy crisis. In truth, SDG&E anticipates load growth of only 2% per year in the coming years. (Chapter V,A.3.a)**
25) The Sunrise case, however, includes a conservative demand forecast of less than half that amount.	**SDG&E had to use the "conservative" number because it is the more accurate number. Had SDG&E asserted a continued 5% load growth it would have been laughed out of the hearing room and been at odds with the state agencies who are forecasting one third that amount. (Chapter V.A.5)**
26) Our testimony will address the capacity deficiency that exists in the Year 2010. The forecast shows that our best case deficiency is about 90 megawatts in 2010 if all goes according to plan.	**Simply not true because the 90 Mw case undercounted energy efficiency, AMI and demand response in 2010, and used an out of date demand forecast. UCAN predicts a 134 Mw surplus in 2010, AFTER retiring the 702 Mw South Bay plant in late 2009. (Chapter V and Table 1)**

27) In my 36 years in the business, all does not always go according to plan. Therefore, we've looked at a worst possible case too. And that shows a potential deficiency of around 700 megawatts. So you have deficiencies ranging from 90 megawatts to 700 megawatts, the likely outcome probably somewhere in between.	**Those worst case estimates were wildly implausible. SDG&E assumes the $600 million AMI project fails, existing demand response contracts fail, existing peaker contracts fail, already built power plants shut down, and load growth booms. Even with all of these horror show assumptions, postponing the retirement of the already-running 700 Mw South Bay plant would more than cover the 610 Mw difference between SDG&E's best and worst cases. (Chapter VII.B**
28) Sunrise Powerlink will provide the flexibility needed to meet changes in the energy supply picture	**Actually, as October 2007 showed, backcountry fires can take out both of SDG&E's eastern transmission lines, leaving the region dependent upon locally generated power and power from Mexico. (Chapter VII, A.3.j)**
29) This region of San Diego County of over 3 million people is served by only one electric super highway, a 500-kV transmission line that was built nearly 25 years ago. Since that time, the region's demand for energy has more than doubled	**Not even close to true. SDG&E is connected by three high voltage power line corridors; the other two are made up of 230 kV lines. The 5 230 kV lines running south (3 of them) and east (2 of them) from SONGS can bring in up to 2500 Mw of power, versus no more than 1750 Mw over the existing 500 KV line (SWPL). SDG&E is also linked to Mexico with a line that allows for at least another 400 Mw of power. SDG&E currently has links to three different regions that allow it to import over 50% of its peak power needs, and much more during off-peak periods. (Chapter V, C)**
30) As a comparison, the similarly sized region of Phoenix, Arizona, has at least seven 500-kV lines	**And the City of San Francisco has 0 (no) 500 kV lines serving its load. Neither does SMUD, the utility serving California's state capitol and environs.**
31) By 2010, SDG&E cannot meet the CAISO or Western Energy Coordinating Council grid reliability criteria even with the conservatively low load forecast that we've used to determine the need for Sunrise.	**UCAN found a set of transmission upgrades costing a total of $111 million (Less than 10% of SDG&E's Sunrise proposal) which satisfy the CAISO and WECC grid reliability criteria. Moreover, one new local power plant would similarly satisfy that grid reliability criteria. (Chap VI, C. 1)**
32) Our testimony will show that Sunrise Powerlink will add 1,000 megawatts of import capacity to the grid, provide a new major transmission corridor for the region and provide a much needed energy reliability cushion for SDG&E's customers.	**At a significant economic and environmental cost and the risk of yet more, and larger, backcountry fires. (Chapter V, A)**
33) High-capacity transmission facilities provide the most options and flexibility to operate the system and deal with unexpected changes in the overall energy picture.	**Not factually supported by any testimony in the case. In fact, distributed generation and series of smaller lines actually provide greater flexibility. (Chapter VII.B)**

34) DRA describes Sunrise Powerlink in its testimony as having option value. I couldn't agree more. We have seen the import rating of the existing Southwest Powerlink (SWPL) increase from 534 megawatts in the early 1980s to a point now where it can carry 1750 megawatts. This transmission asset is one of our most valuable resources, as are most 500-kV transmission lines in the state.	**There's no disagreement that SWPL is a valuable asset. And it was not opposed by informed stakeholders when it was proposed. SDG&E has been unable to secure the backing from any informed and independent stakeholder in this case. And its sole supporter in the proceeding (ISO) pushed through a recommendation in support of Sunrise before it had completed an analysis of the proposal. (Chapter IX, A)**
35) One final word on reliability: Grid reliability will become a key point when considering a route for the proposed project. Substantial line separation is the preferred practice among transmission planners, especially in service territories like SDG&E's where there are a limited number of corridors.	**This is why all of the parties are mystified by SDG&E's rabid opposition to the LEAPS line which avoids the fire-prone eastern backcountry all together. (Chapter I, B)**
36) Common corridor risks of major transmission facilities, especially in fire-prone areas, must be carefully analyzed	**Except SDG&E has resisted a meaningful assessment of the fire dangers caused by the line as well as those fires to which the line might be subjected. (Mussey Grade brief)**
37) As it relates to reliability, it's important to note that our testimony will show that the propensity for fires along the southern routes are at least double what they are along SDG&E's preferred route.	**This claim of doubled risk for a Southern Routes versus Sunrise is disputed by technically competent intervener MGRA" (MGRA brief, pp. 20-21).**
38) Our preferred route is the most reliable, cost-effective and efficient of the options under consideration.	**Primarily because SDG&E has declined to consider other options….such the multi-faceted one proposed by UCAN or the wire-solutions as proposed by the LEAPS line going north through the Cleveland National Forest and the Green Path North line which goes through Imperial Valley and Coachella Valleys that pose no fire danger whatsoever. (Chapter II, A)**
39) Now with respect to the renewable portfolio standard, our testimony will show that the Sunrise Powerlink will connect load centers to the developing supplies of clean power planned for the Imperial Valley Region and help move the state closer to a green energy future. The preferred route is the most efficient mechanism for delivering future renewable resources from this area.	**The existing SWPL currently serves this area. Moveover, SDG&E now concedes that most of the likely renewable power will be coming from Mexico and from the southern border of San Diego County where SWPL currently is located, and not from the Imperial Valley. (Chapter V. D)**
40) The State Legislature has made a firm policy decision to go green. Adoption of the Renewable Portfolio Standard requires 20 percent renewables by 2010. That's a tall order. And the Assembly Natural Resources Committee is today reviewing a version of SB 411 which could push that requirement to 33 percent by 2020.	**A red herring. No party in this case opposes the RPS standard. To meet that obligation, SDG&E need be able to purchase 1000 Mw of renewable energy by 2010. And UCAN has proposed a strategy by which SDG&E could meet that standard handily by 2010. In fact, SWPL currently has the ability to import almost double that amount today. (Chapter VI)**

41) SDG&E strongly supports the shift towards cost-effective renewables, but transmission is needed.	**The key question here is whether one solitary 500kV line is the answer. SDG&E cavalierly dismissed UCAN's proposal to facilitate renewable development within San Diego County as "especially naïve". Yet, SDG&E admitted to not conducting any study of the UCAN proposal. (Chapter IX, B)**
42) SDG&E cannot meet the state's renewable energy portfolio with local renewable energy resources alone.	**No party has suggested 100% of SDG&E's renewable come from in-county sources.**
43) Every year since 2002, SDG&E has issued requests for offers to renewable energy developers, and to date we only have about 90 megawatts worth of local projects online. We will need around a thousand megawatts total to meet RPS standards in 2010. Sunrise will help us cost-effectively meet those standards.	**It won't. It has already failed the economic test. And the RFOs (that SDG&E insists stay confidential) demonstrate that there is an ample amount of in-county renewable energy being offered to SDG&E. (Chapter V, C.5)**
44) The Imperial Valley Region could quickly become of the state's leading producers of renewable energy. Enormous supplies of solar, wind and geothermal energy are waiting to be developed, but Sunrise Powerlink is needed to cost-effectively export that power to California load centers, not just San Diego.	**Not true. Since 2004, SDG&E has tried but has not been able to secure geothermal contracts from that area. Nor has it been able to secure a contract with a proven provider of solar thermal power. And it has conceded that most of the cost-effective renewable power is wind-generated from areas outside of Imperial Valley. (Chapter V,D.3-4)**
45) The interest in developing these resources is staggering. As of July 2nd, there is 7,144 megawatts of renewable energy projects in the CAISO queue that could connect to the SDG&E system.	**The August 2007 number is actually 6820 Mw, of which only 16% is from Imperial valley sources. 22% of the 6820 Mw is from "Mexicali/Ensenada/Tecate" (Exh. U-52, CAISO queue listing)**
46) We also received bids for approximately 5,000 megawatts of renewable resources in our latest RFO, but without new transmission, many, if not most, of these projects will stall or fail.	**Even if the 5000 Mw assertion were true, 80 percent could fail and SDG&E would still meet its 2010 target without using any of the renewable resources it already has under contract. (Chapter V, D)**
47) Some suggest that renewables can be imported over existing transmission lines. That short-sighted plan will only further congest our system, increase costs for our customers and send signals to renewable developers that the state is not serious about its policy mandates for greenhouse gases or renewables.	**Developers don't really care over which line their power gets to San Diego. What really drives SDG&E's desire for a new line is that it would allow Sempra's Baja plants to continue to sell power into the U.S. instead of being displaced by renewable. (Exh. U-2, pp. 2-7)**

48) Connecting the Sunrise Powerlink to these clean resources benefits not only the environment and the CAISO customers, but also the Imperial Irrigation District. SDG&E is enthusiastic about a partnership with IID on the Sunrise Powerlink, and we look forward to completing negotiations soon. Working together is in the best interests of both utilities and our combined customers; however, recognizing that complex deals like this are never certain and take a considerable amount of time to consummate, SDG&E's application requests authority to build the line on its own with or without IID as a partner. Our case addresses the nature and cost of a potential IID participation	**SDG&E has been negotiating with IID since 2005 and has been unable to reach agreement. Few in IID would describe SDG&E's negotiations as good faith. IID actively opposes SDG&E's proposed Sunrise route, and supports a Southern Route instead. (Exh. U-74) IID is actively pursuing GPN to the north, and has a signed participation agreement for that project.**
49) Now with respect to greenhouse gas reductions, SDG&E's testimony will show compliance will require a minimum of 33 percent renewables. It will have the effect of severely limiting the development of new fossil power plants to meet customer needs. That makes the position of some parties who insist reliability should be met with in-basin generation alone unworkable.	**Sunrise actually leads to production of an additional 50-60 Mw of coal-powered electricity, according to SDG&E's modeling – and becomes severely uneconomic if coal power is not part of the fuel mix. SDG&E concedes that 40% of its claimed economic benefits from Sunrise are contingent upon the assumed construction of 2000-2500 Mw of new coal plants in New Mexico (Chapter VII, A.2.b and R.T. at 2510-2512)**
50) Committing our customers to a strategy that relies solely on local baseload plants is contrary to public policy direction of the state. SDG&E will never be able to cost-effectively meet the greenhouse gas reduction standards or the RPS goals without the addition of a new major transmission line.	**This statement is seriously wrong. UCAN has demonstrated that it *can* meet RPS goals absent a new 500kV line. It can also be met with the construction of smaller 230 kV lines that are more surgically located. Furthermore, the Commission has two other 500 kV lines that it can consider (LEAPS and GPN). It is not limited to Sunrise. (Chapter VI)**
51) Some parties also claim that the Sunrise Powerlink can be delayed five years or even longer, maybe indefinitely. With respect to the cost of delaying Sunrise, SDG&E's testimony will show the longer we delay, the more our customers pay. We will show that delay is not the answer. Delay will raise costs for our customers, increase greenhouse gas emissions in the region and potentially lead to the loss of available rights-of-way for any new lines. SDG&E's testimony will show that a one-year delay will result in a potential cost of $128 million to our customers and an eight-year delay will result in about $1.56 billion of additional costs to our customers.	**SDG&E's numbers were proven to be entirely fallacious. SDG&E's cost numbers depend on assuming a non-existent reliability shortfall in 2010-16, and high inflation rates for Sunrise costs (but only after 2010) that make it cheap in 2010 but more expensive if deferred. (Chapter II, A)** **SDG&E's greenhouse gas numbers are based on only some power plants and not others. SDG&E's right-of-way testimony ignored UCAN's proposal to let SDG&E buy rights-of-way now. (Chapter IX, C)**

52) More importantly, delay also eliminates routes for the Sunrise Powerlink. Growth in the region is not stopping, and future development puts finding an appropriate route for the line at risk.	**Not anywhere near true. UCAN proposed permitting SDG&E to purchase rights of way now for future potential lines. SDG&E declined to agree to UCAN's proposal. (Chapter VI, D)**
53) Most importantly, delay means we'll forgo renewable energy options and greenhouse gas reductions. Delay is simply not a choice.	**Not according to UCAN's alternatives. Delay is the only reasonable choice, by SDG&E, the ISO and UCAN's own numbers. The PUC Staff agrees that 2010 deployment of the line is not necessary, or even desirable. (Chapter VI, D)**
54) Your Honor, Commissioner Grueneich and parties to this proceeding, California has reached an energy crossroads. It's time to make a choice. Sunrise Powerlink will test the state's commitment to the green energy future.	**It doesn't, actually. Even the ISO agrees that the next 700 Mw of Imperial Valley renewable resource development doesn't require Sunrise. SDG&E's economic analysis is predicated on the claim that thousands of Mw of renewables will be built in the Imperial Valley with or without Sunrise, a claim SDG&E supported with facts. {Exh. U-55] SDG&E failed to prove that there are or will be *any* Imperial Valley renewable generators marooned for lack of transmission facilities.**
55) Will SDG&E reliably serve its customers through a balanced mix of conservation and local generation and expand access to renewable resources via Sunrise,	**….or via a combination of other, lower-cost, incremental measures that are more economic, more flexible and properly directed to where the likely renewable energy will develop, as proposed by UCAN.**
56) ……or will we fill the projected energy reliability shortfall, as proposed by some parties, by building additional fossil-fueled resources and maintaining San Diego's aging fleet of inefficient generators?	**Only one party (South Bay Replacement Project) has proposed anything like that, and that party is proposing a newer, more efficient plant, not an old, inefficient one. (Chapter VI, B. 4)**
57) We hope that by the end of this proceeding we will have convinced you of that, and we look forward to your deliberations.	**SDG&E would have been more convincing if it had proven even a small fraction of Mr. Niggli's factual assertions.**