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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

November 6, 2009

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Steven Chu
Secretary of Energy
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu:

I am writing to recommend the denial of Sempra Energy's (Sempra) Presidential Permit Application (PP-334) for a cross-border 500 kV transmission line because it is not in the best interest of my constituents in San Diego and Imperial Counties. I am intimately familiar with the history of this issue and the groups of people involved. Therefore, I urge you to carefully consider my argument and conclusions.

This transmission line, in combination with the proposed 1,250 MW Sierra Juarez wind energy project in Baja California, Mexico, will connect with the existing San Diego Gas & Electric (SDG&E) Southwest Powerlink 500 kV line at the proposed 85-acre East County (ECO) substation in Jacumba, California. Sempra Energy, a parent company of SDG&E, has no export wind contracts. If PP-334 is approved, it would likely result in the approval of the ECO substation at Jacumba, by the California Public Utilities Commission (CPUC), because of the promise of export wind development in Baja California by Sempra. The approval of the ECO substation project would reward Sempra's affiliate SDG&E with a \$270 million windfall at ratepayer expense even if no single export turbine is ever built.

In the August 28, 2009 letter to the Department of Energy (DOE), Sempra clarified the PP-334 application claiming that the interconnection from Baja California will be an interconnection between a single generator and the proposed ECO substation. However, transmission lines in the U.S. are generally required to be open access as long as a wheeling fee is paid to the transmission line owner. Sempra's insistence that the 1,250 MW interconnection with the ECO substation will create a generator tie is misleading. In actuality the 1,250 MW line will be under the exclusive control and use of Sempra.

The DOE must not reinforce anti-competitive behavior by granting a Presidential Permit to Sempra. Sempra has a history of exploiting the Baja California assets for inappropriate financial gain. In 2006, Sempra was ordered to pay the state of California \$70 million for violating the terms of its 10-year supply power contract. Also in 2006, Sempra settled a lawsuit for \$377 million with Southern California cities for natural gas price fixes during the 2000-01 energy crisis.

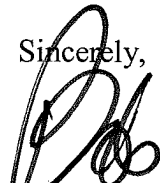
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Sempra asserts that if wind power is imported from Baja California to SDG&E's proposed ECO substation, it will fill the Southwest Powerlink and require construction of a second 500 kV known as the Sunrise Powerlink. The proposed Sunrise Powerlink transmission line will expand markets for Sempra's existing natural gas-fired generators in Arizona and Baja California which will cost nearly \$2 billion, and with no assurance that it will carry any renewable energy.

Mexico has no investment tax or production credits for renewable energies. It is these credits that have made wind energy cost-competitive in the United States. The Mexican electric company, the Comisión Federal de Electricidad (CFE), has already stated publicly that up to 800 MW of wind generation can be transmitted on existing CFE lines that already serve the northern Sierra Juarez wind development area. These lines are integrated with the SDG&E grid through Western Electricity Coordinating Council (WECC).

Sempra's track record does not show that it will develop or manage the Baja California wind energy resources properly. If the DOE approves Sempra's PP 334 application, it will result in a grant of full control over the flow of renewable energy from Baja California which would not be in our region's best interest. Therefore, I urge you to deny Sempra's application.

Sincerely,



BOB FILNER
Member of Congress

cc:

Anthony Como, Director
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