REGIONAL PLANNING COMMITTEE

Friday, March 7, 2008
12 noon to 2 p.m.
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• REGIONAL SHORELINE PROGRAM RECOMMENDATIONS
• ENERGY WORKING GROUP SUNRISE POWERLINK ANALYSIS
• 10-YEAR PLAN TO END CHRONIC HOMELESSNESS

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MISSION STATEMENT

The Regional Planning Committee provides oversight for the preparation and implementation of the Regional Comprehensive Plan that is based on the local general plans and regional plans and addresses interregional issues with surrounding counties and Mexico. The components of the plan include: transportation, housing, environment (shoreline, air quality, water quality, habitat), economy, borders, regional infrastructure needs and financing, and land use and design.
Welcome to SANDAG. Members of the public may speak to the Regional Planning Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Regional Planning Committee may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org under meetings on SANDAG’s Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon, two working days prior to the Regional Planning Committee meeting.

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<table>
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<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tr>
<td>1.</td>
<td>APPROVAL OF THE FEBRUARY 8, 2008, MEETING MINUTES</td>
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<td>2.</td>
<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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<td>Members of the public will have the opportunity to address the Regional Planning Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each and shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.</td>
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<td>3.</td>
<td>STATUS REPORT ON I-PLACE\textsuperscript{S} PILOT PROJECTS (Carolina Gregor)</td>
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<td>In October 2007, the Regional Planning Committee received a report on the Smart Growth Tool Box, which has been assembled to assist local jurisdictions, developers, and community members to plan for smart growth development. The report included a discussion of the I-PLACE\textsuperscript{S} sketch modeling tool and information on the I-PLACE\textsuperscript{S} pilot projects selected. This report will provide a status on the pilot projects.</td>
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<td>4.</td>
<td>FUNDING METHODOLOGY FOR STATE FUND MATCH FOR REGIONAL BEACH SAND REPLENISHMENT PROJECT AND UPDATE ON REGIONAL SHORELINE MANAGEMENT EFFORTS (Shelby Tucker)</td>
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<td>SANDAG staff has been working with the California Department of Boating and Waterways to secure funding for a regional beach sand project. If funding becomes available, a local match is required. At the Shoreline Preservation Working Group (Working Group) meeting on February 7, 2008, the Working Group discussed methods of funding this match through a contribution from each of the coastal cities. The Working Group’s recommendation is presented for consideration and action by the Regional Planning Committee. Additionally, SANDAG staff will provide an update on regional shoreline management efforts, including a recommendation regarding a request for a letter of support for the Tijuana Estuary Demonstration Project.</td>
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<td>ENERGY WORKING GROUP TRANSMISSION PROJECTS ANALYSIS (Brian Holland) RECOMMEND</td>
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The Energy Working Group (EWG) has prepared an analysis of SDG&E’s Sunrise Powerlink and Nevada Hydro’s Talega-Escondido/Valley-Serrano transmission proposals. The analysis evaluates each project for its consistency with the 2030 Regional Energy Strategy. Staff and the EWG Chair will provide an overview of the analysis. The Regional Planning Committee is asked to review the analysis and recommendations from staff and EWG and make a recommendation to the SANDAG Board of Directors.

| 6. | THE 10-YEAR PLAN TO END CHRONIC HOMELESSNESS DISCUSSION/POSSIBLE ACTION |

On November 27, 2007, the Regional Housing Working Group received a presentation on and discussed the 10-Year Plan to End Chronic Homelessness and recommended that the Plan be presented to the Regional Planning Committee for discussion and possible action.

| 7. | UPCOMING MEETINGS INFORMATION |

The next meeting of the Regional Planning Committee is scheduled for April 4, 2008, at 12 Noon.

| 8. | ADJOURNMENT |

+ Next to an agenda item indicates an attachment
San Diego Association of Governments

REGIONAL PLANNING COMMITTEE

March 7, 2008

AGENDA ITEM NO.: 1

Action Requested: APPROVE

REGIONAL PLANNING COMMITTEE DISCUSSION AND ACTIONS
MEETING OF FEBRUARY 8, 2008

The meeting of the Regional Planning Committee was called to order by Chair Jerry Jones (East County) at 12:37 p.m. See the attached attendance sheet for Regional Planning Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Supervisor Pam Slater-Price (County of San Diego) and a second by Mayor Jim Janney (South County), the Regional Planning Committee approved the minutes from December 7, 2007, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Supervisor Slater-Price asked that a Letter of Support for the Tijuana Estuary Joint USGS and State of California Demonstration Sediment Management Project be placed on the March Regional Planning Committee agenda.

Mayor Janney supported her request.

Chair Jones stated that there should be no problem in placing it on the March agenda.

Chair Jones introduced the new Committee members. He reported that Agenda Item 11, “Showcasing Smart Growth Around the Region: Solara Energy Self-Sufficient Apartment Community in Poway,” would be presented at a future meeting.

Action: There were no public comments/communications.

CONSENT ITEMS (#3 through #5)

3. TECHNICAL UPDATES TO THE SMART GROWTH CONCEPT MAP (INFORMATION)

Action: This item was presented for information only.

4. STATUS REPORT ON SMART GROWTH VISUAL SIMULATION EFFORTS (INFORMATION)

Action: This item was presented for information only.
5. REGIONAL HABITAT MANAGEMENT AND FIRE SAFETY NEXT STEPS (INFORMATION)

Action: This item was presented for information only.

REPORT ITEMS (#6 through #11)

6. TransNet ENVIRONMENTAL MITIGATION PROGRAM (EMP) RECOMMENDATIONS (RECOMMEND)

Carrie Downey, Chair, Environmental Mitigation Program (EMP) Committee, acknowledged Ed Pert, California Department of Fish and Game; Susan Wynn, U.S. Fish and Wildlife Service; and Tom Oberbauer, Vice Chair, Environmental Mitigation Program Committee for their work on the Memorandum of Agreement (MOA).

A. ENVIRONMENTAL MITIGATION PROGRAM MEMORANDUM OF AGREEMENT

Keith Greer, Senior Planner, presented an overview and stated that the EMP Working Group and the Independent Tax Oversight Committee both unanimously recommended approval of the MOA.

B. FY 2008 RECOMMENDATIONS FOR LAND MANAGEMENT AND MONITORING

Mr. Greer explained that once approved by the Board, staff would begin work with wildlife agencies to develop a Conservation and Mitigation Strategy; develop specific agreements for the Board’s consideration; and update the Five-Year Management and Monitoring Strategy for Land Acquisition and Monitoring due to the 2007 wildfires, which would return to the RPC at a future date.

Ms. Downey commented that San Diego leads the country with its regional habitat planning and requested the Committee’s endorsement of this item as it relates to the funding of remaining habitat procurement and management.

Ed Gallo (NCTD) asked for clarification regarding the FY 07 and FY 08 funding allocations for the Program Developer, as shown in Table 1.

Mr. Greer informed that although funds were allocated for FY 07, they were not spent; therefore, they will be used to fund the Program Developer until the end of 2008.

Mayor Lesa Heebner (North County Coastal) asked why the San Dieguito River Valley lands have not been included as mitigation lands, and wondered if conversations were presently taking place regarding these lands.

Ms. Downey said no discussions have taken place regarding the San Dieguito River Valley; however, the land is a possibility. She explained that the EMP Working Group holds discussions and utilizes the expertise of Fish and Game, Fish and Wildlife, and other area experts to rank the region’s priorities in terms of land acquisition.
Mayor Heebner asked if there was direct consultation regarding the prioritizations between the two agencies.

Supervisor Slater-Price stated that since there are different types of habitat that must be purchased, it would be wise to consult the Wetlands Recovery Project, as it has representatives from many different bodies.

Ms. Downey said all organizations in the region have been highly encouraged to apply.

Mr. Greer reassured that they have been in close communication with Doug Gibson, Susan Carter, and Rob Hutsel. He reiterated the importance of the adoption of the MOA, as it is the first step toward land acquisition.

Supervisor Slater-Price informed on a new site, the San Luis Rey River in Oceanside, which should also be examined.

Councilmember Jerry Kern (North County Coastal) advised that caution should be taken regarding the ongoing maintenance of the properties in all the agreements.

Supervisor Slater-Price commented that the San Dieguito River Valley property has plans in place, and other projects have mitigation plans for 40 years and beyond.

**Action:** Upon a motion by Supervisor Slater-Price and a second by Councilmember Kern, the Regional Planning Committee unanimously recommended that the SANDAG Board of Directors approve: (A) the proposed TransNet EMP MOA and authorize the Executive Director to sign the MOA on behalf of the agency; and (B) the proposed management and monitoring activities and budget for FY 2008 totaling $5.3 million, and authorize staff to solicit proposals and develop contracts for activities pursuant to the recommendations after execution of the MOA.

7. **PROPOSED LEGISLATION FOR INCREASING HOUSING PRODUCTION IN THE SAN DIEGO REGION THROUGH REGIONAL CONTRIBUTION AGREEMENTS (DISCUSSION/POSSIBLE ACTION)**

Susan Baldwin, Senior Planner, informed that the SANDAG Executive Committee asked staff to conduct further analysis of a legislative proposal from Poway Mayor Mickey Cafagna in which the transfer of housing needs from one jurisdiction to another in exchange for payment in the form of redevelopment, CDBG, or general funds would be allowed. This proposal, if pursued, would likely require changes to State housing element law and redevelopment law. Staff recommended that a non-legislative approach be pursued by addressing the concepts included in the proposal during the upcoming Regional Housing Needs Assessment (RHNA) process for the 2010-2015 housing element cycle. She noted that the City of Poway staff is also in agreement with a non-legislative approach to the proposal.

Mayor Heebner approved of the 20 percent proposal in the concept; however, she expressed concern that the more affluent cities and counties would trade their responsibilities off. She asked how an affordable housing unit would be valued.
Ms. Baldwin responded that it would remain to be determined. Should there be a decision that transfers would occur, decisions regarding valuing housing units for funding considerations would probably have to be done on a case-by-case basis due to different property values, etc.

Coleen Clementson, RPC Coordinator, said that according to the current proposal, should local jurisdictions accept the units, they would determine the cost and negotiate it as part of the transfer process. SANDAG’s particular role is undetermined at this time.

Vice Chair Toni Atkins asked for further clarification regarding the RHNA process.

Ms. Baldwin responded that should legislation be necessary, it would be more focused, as opposed to a broader statewide proposal that is encompassed in this proposal right now.

Vice Chair Atkins expressed concern over the possibility that the region’s approach might be looked at unfavorably and concluded that due to the complexities of the matter, she supported SANDAG’s somewhat more delayed approach to the discussion.

Mr. Druker commented that it is necessary to consider the transfer concept, specifically for the cities that are built out. They have to have the ability to negotiate with a neighboring city in order to provide low-income housing so that the RHNA numbers are met.

Ms. Baldwin responded that hopefully in the future this issue will be taken into consideration in the RHNA process.

Mr. Druker said if this can be done in the future, then transfers won’t become an issue. However, Del Mar, specifically, does not have the ability to meet the requirement of having 26 low-income housing units.

Councilmember Jerry Selby (East County) agreed with Vice Chair Atkins that there is a possibility the region may be looked at negatively by others. He strongly opposed the proposed legislation, saying that to transfer out the responsibility is unfair and unsustainable, and suggested accumulating money within a countywide pool specifically to build affordable housing.

Supervisor Slater-Price suggested further review of the matter and recommended examination of possible opportunities along the COASTER/SPRINTER corridors.

Ed Gallo (NCTD) had the same concerns as Councilmember Selby and recommended detailed assessments be performed of each city before proceeding with the matter.

Mayor Heebner inquired when the RHNA discussion would take place.

Ms. Baldwin stated that it would take place in July 2008.

Mayor Heebner reiterated the difficulties of the coastal cities in providing affordable housing and problems with developers.
Vice Chair Atkins suggested taking a jurisdictional approach to remedy the issue.

Mayor Heebner said that presently, granny flats cannot be counted toward the RHNA numbers either.

Bob Leiter, Director of Land Use and Transportation Planning, reiterated that due to the complex issues, staff is recommending that the Executive Committee not pursue a legislative solution in this particular legislative session.

Supervisor Slater-Price commented that Mayor Heebner’s concern that units cannot be counted unless they are “new” needs to be addressed.

Chair Jones expressed the need to get a bigger picture of RHNA, as legislation may or may not be necessary.

Councilmember Kern concurred that the process is unfair to the cities that are landlocked and made a motion to return the item.

Chair Jones offered to not support Mayor Cafagna’s position.

Jim Sandoval, Regional Planning Technical Working Group (TWG), informed on their recommendation, stating it would require statewide legislation. He explained that at a technical level, a more workable solution may be possible due to the Smart Growth Concept Map and regional recognition that growth will likely be distributed along corridors.

Chair Jones reminded the Committee that RHNA is not a requirement to build housing. It’s a requirement to provide for the building of housing, and the market and money is what gets houses built. The most important factor is that whatever is in place to prevent pockets of poverty needs to be the highest priority.

Vice Chair Atkins said that staff wanted clarification on the motion whether it is the staff’s recommendation, or, has the staff’s recommendation been modified.

Supervisor Slater-Price stated that it is to make a recommendation to not sponsor the proposal.

Mr. Leiter added that staff’s recommendation is to not support a legislative solution at this time and that the proposal would be returned to staff and later brought back to the RPC in the RHNA cycle.

Vice Chair Atkins agreed with Councilmember Selby and Supervisor Slater-Price. She suggested addressing the issues of shared responsibilities and accountability perhaps through the development of a process whereby an entity could receive a broader analysis of a particular situation from a separate larger body. She recommended further discussion of the subject.

Supervisor Slater-Price stated that in order to avoid side deal undertones, open discussion of the process is important.
Councilmember Selby reiterated that the motion was that the item would be returned to the Technical Committee to develop a solution in order to show that there's a balance between the jobs and the housing being provided.

**Action:** Upon a motion by Councilmember Kern and a second by Supervisor Slater-Price, the Regional Planning Committee unanimously recommended that SANDAG not pursue a legislative approach at this time and to consider this proposal during the upcoming RHNA process.

8. **UPDATE ON SANDAG ENERGY WORK PROGRAM AND CALIFORNIA ENERGY COMMISSION PARTNERSHIP (INFORMATION)**


Councilmember Kern requested further information regarding the monitoring plan for greenhouse gas emissions.

Mr. Holland said that there is the potential to piggyback on a study being conducted at USD, in association with the San Diego Foundation and in conjunction with the Air Resources Board and the California Climate Action Registry, to develop a methodology for the region.

Councilmember Kern asked if there is coordination with Mexico, as their emissions continue to increase.

Mr. Holland responded that regional greenhouse gas measurements are not taken through physical measurements. Emissions are modeled, based on fuel consumption.

Councilmember Kern asked if the results would produce actual numbers or just change the model.

Mr. Holland said the State is trying to standardize the model.

Councilmember Kern expressed concern that the models would not yield an actual measurement as a real regional basis is not being utilized.

Mr. Leiter said modeling and measuring of greenhouse gas emissions is different and more difficult than it is for the other air quality-related emissions. The difference is that it is a cumulative impact on a broader scale; and, modeling and on-site evaluation is necessary to track the impacts of greenhouse gas emissions and their effects on the region’s ecology.

Mr. Gallo asked what should be done as there exists the potential that biofuel is as harmful to greenhouse gas emissions and global warming as fossil fuels.
Mr. Holland concurred, particularly with corn ethanol. He informed on the California Energy Commission’s “State Alternative Fuels Plan,” which outlines life cycle emissions for particular fuels.

Mr. Gallo suggested greenhouse gas emissions also be discussed at a Borders Committee meeting.

Chair Jones announced that Item 10 would be discussed before Item 9, as Chairman Hernandez had prior commitments elsewhere.

Supervisor Slater-Price inquired about the 2 percent figure used for intrastate aviation and asked that further evaluation be performed, as it seems likely the number is higher. She also asked that this item be presented at a future meeting as she would like more information on other fuel alternatives.

Chair Jones responded that it will be discussed at future meetings.

Mayor Heebner found it disturbing that if the entire Smart Growth Concept Map were implemented, the reduction in greenhouse gases would only be 3 percent. She asked for clarification regarding the assumptions that were used.

Mr. Holland responded that the land use assumptions were that these Smart Growth place types are developed consistent with their place types.

Ms. Clementson added that very modest assumptions about what would occur in potential Smart Growth areas were made as existing plans already allow a certain intensity. As some of the areas don’t necessarily have public transit linked with them, a more detailed investigation from the climate change perspective would be necessary.

Mayor Janney suggested expanding on the quality of life issues.

Action: This item was presented for information only.

Chair Jones introduced Item 10, which was taken out of order.

9. ENERGY OUTLOOK FROM SAN DIEGO GAS AND ELECTRIC (INFORMATION)

J.C. Thomas, representing SDG&E, introduced Rob Anderson, Director of Resource Planning. Mr. Anderson highlighted recent investments and new programs to meet local energy needs, the overall planning process, SDG&E’s resource plan to meet customers’ electric needs, and the area’s transmission system. He explained that SDG&E’s goal is to work with all organizations in order to provide a reliable supply of energy at the lowest cost possible, and to do it in an environmentally-sensitive manner.

Vice Chair Atkins commented that energy is one of the big issues in the region.

Mayor Janney asked for clarification regarding LEAPS.
Mr. Anderson said that LEAPS would be a transmission line that would run from the northeastern part of the county and connect with Edison service territory. The project is tied into a pump storage plant; there is no “stand alone” LEAPS transmission plant.

Mayor Janney inquired if this would add new transmission lines.

Mr. Anderson responded that it is not a “stand alone” transmission line.

Mayor Janney said it's not going to add new transmission lines in San Diego County.

Mr. Anderson stated that it would add some transmission capability, but the whole project is based on a pump tigral point being built at the same time.

Mayor Janney said in regards to basin energy capabilities, there will be no increase coming into San Diego County.

Mr. Anderson said LEAPS would increase our ability to import some power; however, the size of the increase would be a function of the amount of upgrades to the system.

Mayor Heebner inquired if SDG&E buys back power from individuals with solar panels.

Mr. Anderson said SDG&E refers to the net metering law for the number.

Mayor Heebner stated that their bill goes down.

Mr. Anderson concurred.

Mayor Heebner asked if the individual would be paid if they created more power than they used.

Mr. Anderson responded that on an annual basis, if they create more than they use, they are not paid for it.

Mayor Heebner asked why not, if it is a possible source for SDG&E to meet its renewable energy goals.

Mr. Thomas clarified that State law prevents SDG&E from buying energy from solar panels on rooftops and only allows net metering so the bill can be credited.

Ms. Heebner referred to the Del Mar fair barns with their many solar panels and the possibility of them being a mini generating area.

Mr. Thomas informed that Del Mar uses all the energy on site. They have the capacity and possibly a large enough load that they could install more solar panels, but it’s designed to be treated as a demand reduction program so that they’re serving their own needs only.

Mr. Anderson said that most people still end up being a net purchaser.
10. TRIBAL NATIONS AND ENERGY PLANNING ISSUES (INFORMATION)

SCTCA Chairman Johnny Hernandez (Iipay Nation of Santa Ysabel) explained that tribal challenges include the high cost of service due to the remote locations of some reservations, energy intense operations due to the gaming industry, electric demand growth for new enterprises, and some reservations lack electricity altogether. Changes have been made in several areas through the creation of the “National Tribal Energy Vision,” in which each sovereign nation shall have a sufficient and reliable supply of electricity at a reasonable cost to support its social economic well-being. Also, the Indian Tribal Energy Development and Self-Determination Act, which provides the means for tribes to participate in development, regulation, and management of energy resources on their own lands. This Act has a provision which creates a new lease negotiation regime whereby tribes can negotiate and enter into leases and business arrangements for energy exploration, extraction, processing, and development of energy on tribal lands without the approval of the Secretary of the Interior. Lastly, the Department of Energy has created the Office of Indian Affairs, which produces energy programs and grants for the tribal nations.

Chairman Hernandez informed that presently renewable energy strategies and the development of a tribal energy cooperative is being discussed, along with the performance of energy audits, which will determine the suitability for biomass, solar, and wind energy. He requested assistance from the Committee in the way of workshops so the region’s tribes might have a greater role in the region’s energy plan. He suggested investigation into Europe’s methods for renewable energy as they are very advanced in this area.

Supervisor Slater-Price asked that this item be addressed at a future meeting. She agreed that there has been market resistance to change in the area of renewable energy.

Action: This item was presented for information only.

Chair Jones turned the meeting over to Vice Chair Atkins. Vice Chair Atkins introduced Item 9.

11. SHOWCASING SMART GROWTH AROUND THE REGION: SOLARA ENERGY SELF-SUFFICIENT APARTMENT COMMUNITY IN POWAY (INFORMATION)

Action: This item will be presented at the March 7, 2008, meeting.

12. UPCOMING MEETINGS

The next meeting of the Regional Planning Committee is scheduled for March 7, 2008, at 12 Noon.

13. ADJOURNMENT

Vice Chair Toni Atkins adjourned the meeting at 2:26 p.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG REGIONAL PLANNING COMMITTEE MEETING
#### FEBRUARY 8, 2008
12:00 p.m. to 2:00 p.m.

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<td>Lori Holt Pfeiler</td>
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<td>Dave Druker</td>
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Introduction

Last October, the Regional Planning Committee received a report on the Smart Growth Tool Box, which has been assembled to assist local jurisdictions, developers, and community members to plan for smart growth development in areas identified on the Smart Growth Concept Map. The report included a discussion of the I-PLACE³S sketch modeling tool and information on the I-PLACE³S pilot projects selected. This report provides a status update on the pilot projects.

Discussion

I-PLACE³S is an Internet-based planning program designed to provide communities with the opportunity to develop and evaluate alternative land use scenarios for selected areas.

Last year, SANDAG partnered with the City of Escondido as part of an initial Pilot program to test the local application of I-PLACE³S. Escondido used the I-PLACE³S tool to refine the preferred land use alternative being developed for its 900-acre Downtown Specific Plan, generating land use and employment information for use in evaluating sewer and water infrastructure needs on a parcel-by-parcel basis. SANDAG then ran the scenario through the regional transportation model to generate information regarding vehicle miles traveled, trip generation, transit use, and traffic impacts. The information from the Escondido I-PLACE³S pilot project will be used in the environmental documentation process for its Downtown Specific Plan. The pilot project is ending soon with the anticipated adoption of the downtown specific plan to be folded into Escondido's city-wide General Plan Update.

Three Additional Pilot Projects

This fiscal year, SANDAG initiated work on three additional I-PLACE³S pilot projects to continue to refine the model and test its use on a broader scale. Projects were chosen in downtown Lemon Grove, the Grantville trolley station in the City of San Diego, and the Melrose SPRINTER station in Vista and Oceanside.

The projects were selected based on criteria approved by the Regional Planning Committee at its August 2007 meeting. Criteria included inclusion on the Smart Growth Concept Map; good subregional distribution of areas; no more than one pilot project per jurisdiction; differing project scales; project readiness; and appropriateness of the application of I-PLACE³S to the project.
Work on the pilot projects began last October, with a “kick-off” training session for local planners from the selected areas. After the kick-off session, SANDAG staff and the I-PLACE3S consultant met individually with the staffs from each of the project areas to refine the project area boundaries, create geographic information system (GIS) shape files for use in I-PLACE3S, and develop customized land use “place types” for each of the areas. SANDAG developed an overall project schedule for each of the pilot projects, requesting each group to develop two or more alternative land use scenarios, select indicators, compare the alternative scenarios, and report on the outcomes by this spring.

The following section provides a description of each pilot project included in the October 2007 Regional Planning Committee report and an associated status report.

**Status of Pilot Projects**

1. **Lemon Grove**

   **Initial Description:** This project, located in close proximity to the existing trolley station in the heart of downtown Lemon Grove, would analyze the expansion of the existing Downtown Village Specific Plan. Using I-PLACE3S in combination with a public participation program and visioning activities, the City of Lemon Grove would test alternative land use scenarios to evaluate the performance of new land uses in this underutilized commercial and residential area. This project would test the use of I-PLACE3S in a small-scale setting, and would help city staff understand future options available for undertaking a general plan update in the near future.

   **Status:** The Lemon Grove pilot project is underway, with Lemon Grove planning staff in the process of developing alternative land use scenarios by this spring.

2. **Grantville**

   **Initial Description:** This project, located adjacent to the existing Grantville trolley station along the I-8 transportation corridor, would assist in developing and evaluating alternative land use scenarios for the creation of a master plan for the Grantville Redevelopment Project Area. The City will be hiring a consultant to perform much of this work. The use of I-PLACE3S would allow the City to model multiple land use scenarios in addition to those developed by the consultant, assisting in the determination of future land uses, provision of adequate infrastructure, improvements to circulation, transit-oriented development around the trolley station, and preservation of the San Diego River as a public open space amenity. This project would test the use of I-PLACE3S in a medium-scale setting in collaboration with a consultant, and would likely result in community plan amendments to the Navajo and Tierrasanta Community Plans.

   **Status:** Due to a revised timeline for the development of the Grantville Redevelopment Project Area master plan, the City of San Diego planning department has requested that the Grantville I-PLACE3S pilot project be transferred to the Morena Boulevard Corridor Study Area, where TransNet early action transit projects have been identified along the Mid-Coast light rail transit (LRT) corridor. Transferring the Grantville I-PLACE3S pilot project to Morena Boulevard would allow the City of San Diego to develop and evaluate a range of transit-supportive land use alternatives surrounding the planned transit stations, and would likely
result in community plan updates to the Clairemont Mesa and Linda Vista Community Plans. The application of the I-PLACE$^3$S tool in this area would be consistent with the criteria approved by the Regional Planning Committee last August, and would complement SANDAG transit planning efforts along the Mid-Coast LRT line. City staff time has been allocated to this project; as a result, transferring the project area from Grantville to the Morena Boulevard Corridor would not result in delays to the overall project schedule.

3. **Vista/Oceanside**

**Initial Description:** This project, located along the SPRINTERT line at the connecting boundaries of the Cities of Oceanside and Vista, would employ I-PLACE$^3$S in support of a multi-jurisdictional planning effort to understand the impacts and opportunities associated with the development of several potential smart growth areas in Oceanside and Vista, including the Melrose SPRINTERT Station (that includes land in both Oceanside and Vista), a potential community center in Vista, and the North Santa Fe Avenue corridor served by high-frequency bus service. In Vista, the use of I-PLACE$^3$S would also complement the planned update of the City's general plan. This project would test the use of I-PLACE$^3$S at a multi-jurisdictional scale in conjunction with future transit service.

**Status:** The Vista/Oceanside pilot project is underway. However, due to staff resource constraints, the Oceanside planning department has withdrawn its participation from this multi-jurisdictional pilot project. The Vista planning department has indicated its desire and ability to move forward with the development of alternative land use scenarios along the North Santa Fe Avenue corridor north of the Vista Center SPRINTERT Station. The withdrawal of Oceanside eliminates SANDAG’s ability to test the multi-jurisdictional aspects of I-PLACE$^3$S; however, SANDAG supports Vista's continued participation, as the City of Vista will benefit from using I-PLACE$^3$S to test potential smart growth land use changes adjacent to the SPRINTERT corridor and along a related high-frequency bus corridor, and can test whether I-PLACE$^3$S should be used in its general plan update.

In summary, work on the three local pilot projects began last October. Steady progress has been made on two of the three projects (Lemon Grove and Vista), and the City of San Diego has requested a transfer of its pilot area from the Grantville trolley station to the Morena Boulevard/Mid-Coast LRT corridor. SANDAG will report back to the Regional Planning Committee on additional progress this spring. Progress on the pilot projects will provide information on the viability of the broader use of the I-PLACE$^3$S sketch modeling tool in FY 2009.

BOB LEITER  
Director, Land Use and Transportation Planning

Key Staff Contact: Carolina Gregor, (619) 699-1989, cgr@sandag.org
FUNDING METHODOLOGY FOR STATE FUND MATCH FOR REGIONAL BEACH
SAND REPLENISHMENT PROJECT AND UPDATE ON REGIONAL SHORELINE
MANAGEMENT EFFORTS

File Number 3002800

Introduction

Over the past several months, progress has been made on efforts to replenish regional beaches. First, this report will provide an update on large-scale replenishment efforts, which includes the development of a regional beach sand replenishment project. Second, SANDAG staff will provide an update on small-scale replenishment efforts.

Recommendation

A. The RPC is asked to recommend that the Board of Directors adopt the State fund match allocation methodology based on Option C, a 60/10/30 split among amount of sand received/miles of coastline restored/population.

B. The RPC is asked to recommend that the Chair of the Board of Directors submit a letter of support for the Tijuana Estuary Sediment Fate and Transport Study.

Discussion

Large-scale Replenishment Efforts

Preliminary Planning Activities

In September, the SANDAG Board of Directors (Board) approved the allocation of funds for preliminary planning activities, which was an allocation based on miles of coastline, and authorized the collection and expenditure of funds for these activities. SANDAG staff is working with the coastal cities to finalize the funding commitments for the preliminary planning activities, which includes an investigation of offshore sand sources and preliminary engineering/design. SANDAG staff is currently working on the initiation of the procurement process. The Request for Proposals is expected to be released in March and work is scheduled to begin by summer 2008.

State Funding

In August, SANDAG submitted a Feasibility Study to the California Department of Boating and Waterways (DBW) for its consideration of funding for a regional beach sand project similar to the 2001 Regional Beach Sand Project (RBSP). SANDAG staff is working with DBW to determine if funding will be available in FY 2009. SANDAG staff will continue to work on obtaining any available funding from sources such as Proposition 84, which was approved by the voters in November 2006.
State Funding Match Allocation

If funding from DBW is approved, it would likely be available in early FY 2009. In anticipation of potential project funding, the region needs to determine how the required 15 percent match would be divided among the participating coastal jurisdictions.

At the February 19, 2008, Shoreline Preservation Working Group (Working Group) meeting the Working Group discussed several options for allocating the local match among the coastal jurisdictions. All of the options included three factors: amount of sand pumped onto each beach, miles of shoreline restored, and city population. The main issue was how each of the factors would be weighted with the goal of being equitable while trying to ensure that the cost allocation would not negatively impact a jurisdiction to the point where they would be unable to participate in the project. SANDAG staff and the Working Group recommend Option C, a 60/10/30 split for amount of sand/miles restored/population. In making the unanimous recommendation, the Working Group considered four options that were discussed with staff from the coastal jurisdictions. (It should be noted that the elected official representing the City of Oceanside was not present at this meeting; however, a staff member from Oceanside expressed the City’s support for this recommendation).

All of the allocation methods that were considered are outlined in Attachment 1. They show dollars for the State’s required 15 percent match based on a phased approach to project implementation (year one match) and total project match (three-year total). Please note that the dollar figures provided below are for consideration by the RPC for planning purposes only; actual project costs may be different.

Small-scale Replenishment Efforts

Small-scale replenishment efforts are focused around managing sediment in the region and taking advantage of opportunistic material as it becomes available. The material will be placed on regional beaches through opportunistic sand programs1, which have either been adopted or are in progress in the cities of Carlsbad, Coronado, Encinitas, Imperial Beach, Oceanside, and Solana Beach.

Sand Compatibility and Opportunistic Use Program

Over the past several years, SANDAG has been working with DBW and the California Sediment Management Workgroup (CSMW) on the Sand Compatibility and Opportunistic Use Program (SCOUP). SCOUP provides protocols and templates for a generic regional opportunistic sand program that can be applied statewide and environmental documentation sufficient to successfully obtain permits. The Mitigated Negative Declaration for the Opportunistic Beach Fill Program for the cities of Coronado, Imperial Beach, Encinitas, and Solana Beach is currently out for public review, comments must be received by March 12, 2008.

SCOUP is part of a larger statewide effort called the California Coastal Sediment Management Master Plan (Sediment Master Plan) led by the Workgroup. The Sediment Master Plan is a collaborative effort between the California Resources Agency and the U.S. Army Corps of Engineers

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1 Opportunistic sand programs make use of small quantities of compatible sand that come from sources such as construction projects and detention basins.
(ACOE) that will result in an integrated strategy for nourishing the state’s beaches and addressing sedimentation in wetlands and harbors.

San Diego Region Coastal Regional Sediment Management Plan

In April 2007, the RPC took action to accept funds from DBW for the preparation of a Coastal Regional Sediment Management Plan (Regional Management Plan) for the San Diego region. The Regional Management Plan builds upon what has been developed for the Sediment Master Plan and is a guidance and policy document that will describe how management of sediment targeted at coastal erosion can be implemented in an expeditious, cost-effective, and resource-protective manner throughout the San Diego region. Work begun on the Regional Management Plan in fall 2007 and will continue over the next couple of months. A draft of the plan will be available in late April.

Tijuana Estuary Sediment Fate and Transport Study

As mentioned above, the State’s efforts have been focused on management of sediment for beneficial reuse through the Master Plan, Regional Management Plan, and SCOU. The process for placing opportunistic material on the region’s beaches includes methods approved by the regulatory agencies, for using less-than-optimum materials for nearshore placement. Less-than-optimum means that the materials contain a higher percentage of fines than found on the dry beach, but they are consistent with the entire beach profile (back beach to closure depth).

There has been a long-standing guidance called the 80-20 “Rule of Thumb” used by the U.S. Environmental Protection Agency and ACOE regulators when permitting beach nourishment projects. This guideline requires that beach nourishment materials contain no more than 20 percent fines, unless the project proponent is willing to conduct significant additional work to demonstrate that the fines will not cause environmental degradation. Most upland materials do not meet this limitation and therefore a large percentage of less-than-optimum sediment is disposed of on land instead of being reused to replenish local beaches.

Many scientist and coastal experts speculate that a higher percentage of fines can be used to support the beach profile without adverse impacts to coastal biota and habitats. CSMW, the State Coastal Conservancy (SCC), State Parks, and other stakeholders are sponsoring the Tijuana Estuary Science Study (TESS), to be conducted by the U.S. Geological Survey (USGS) and local beach experts from Scripps Institute of Oceanography. Sediment from two catchment basins in the Estuary owned by State Parks will be collected, tested for chemicals, sorted to remove debris and cobbles, and placed in the nearshore during low tides south of the river mouth this coming winter. Extensive data will be collected, analyzed, and shared with regulatory agencies to determine the fate of the fine sediment introduced at the shoreline and facilitate a review of the existing policy to reevaluate whether the 80/20 “Rule of Thumb” is appropriately protective or overly conservative. Discussions with USEPA and ACOE indicate that if the results are as expected, TESS could significantly reduce the burden of proof for project proponents who desire to use less-than-optimum materials for beach profile nourishment. The Tijuana Estuary Science Study (TESS), to be conducted by the U.S. Geological Survey (USGS), from two catchment basins in the Estuary owned by State Parks, sort it, and place it in the nearshore during low tides south of the river mouth this winter. Data will be

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2 Fines consist of silts and clay.
collected and shared with regulatory agencies to determine the fate of the fine sediment introduced at the shoreline and facilitate a review of the existing policy to reevaluate whether the 80/20 “Rule of Thumb” is appropriately protective or overly conservative.

The CSMW, SCC, DBW, and USGS are requesting a letter of support from SANDAG as a way to reflect local support for the project. SANDAG staff has drafted a letter (Attachment 2) for consideration by the RPC.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. Funding allocation methods for State funding match
             2. Letter of support for the Tijuana Estuary Sediment Fate and Transport Study

Key Staff Contact: Shelby Tucker, (619) 699-1916, stu@sandag.org
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Ms. Karen Scarborough  
Undersecretary  
California Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

Dear Ms. Scarborough:

SUBJECT: Letter in support of the Tijuana Estuary Science Study

This letter is to express SANDAG’s support for the Tijuana Estuary Science Study (TESS). SANDAG, through its Shoreline Preservation Working Group, has been involved with coastal sediment management in the San Diego region for many years. Through a scientific approach to design and monitoring, this Study would equip decision makers with the information necessary to evaluate and possibly revise the policies and practices regarding the composition of material appropriate for beneficial reuse along the coast.

Some of the agencies regulating sediment placement in coastal areas apply a precautionary “Rule of Thumb” stating that material with more than 20 percent fine-grained sediment is not appropriate for placement in the nearshore unless additional information exists to show that such placement will not result in environmental degradation. Thus, a large percentage of sediment is disposed of on land instead of being reused to replenish the sand supply of local beaches, despite the fact that such material is supplied naturally to the ocean via rivers and streams. Many engineers and scientists hypothesize that a higher percentage of fines may be deposited without detriment to sensitive nearshore habitat and species. This Study will provide the physical and biological data needed to assess the extent and duration of both turbidity and sedimentation when sediment with greater than 20 percent fines is used for beach nourishment. These data will be shared with regulatory agencies to facilitate a review of the existing policy to reevaluate whether the 80/20 “Rule of Thumb” is appropriately protective or overly conservative.

SANDAG has been at the forefront of shoreline management issues because of the significant tourism and recreational functions that our beaches provide. The outcome of the Study would give the California Sediment Management Workgroup and regional entities, such as SANDAG, more certainty about long-term sediment budgets and viability of potential source materials. SANDAG encourages the Ocean Protection Council to fund the Tijuana Estuary Sediment Fate and Transport Study so the San Diego region and the coast of California can continue to advance our management of coastal sediment in the most efficient, scientific, and effective ways possible.

Thank you for your consideration of this matter and we look forward to the outcomes of the Study.

Sincerely,

MARY TERESA SESSOM  
Chair, SANDAG Board of Directors

ST/
ENERGY WORKING GROUP TRANSMISSION PROJECTS ANALYSIS

Introduction

The San Diego Association of Governments (SANDAG) Board of Directors asked the SANDAG Energy Working Group (EWG) to provide input regarding two proposed transmission projects that would import electricity to the San Diego region—the Sunrise Powerlink and the Talega-Escondido/Valley-Serrano (TE/VS) projects. The Board of Directors requested the scope of the input be limited to determining whether the projects implement the Regional Energy Strategy (RES) 2030.

The San Diego Gas and Electric (SDG&E) Sunrise Powerlink and the Nevada Hydro Company TE/VS transmission line proposals were reviewed by the EWG from multiple perspectives, including transmission congestion scenarios, comparisons of import versus in-region resource options, and project-specific studies by the California Independent System Operator (CA ISO), California Public Utilities Commission (CPUC), and California Energy Commission (CEC). The EWG also reviewed the applications put forward by the two project proponents.

Recommendation

The Energy Working Group (EWG) recommends that the Regional Planning Committee (RPC) recommend that the Board find the Sunrise Powerlink and TE/VS projects inconsistent with the full set of goals of the RES. If the RPC wishes to indicate its support for transmission projects, the EWG recommends that the RPC establish an order of preference among the projects, prioritizing that which represents the most efficient use of resources and value to ratepayers, and that has the minimum impact on community health and the environment.

Discussion

On February 12, 2008, a subcommittee of the EWG met to discuss an analysis of the transmission line projects that was prepared by SANDAG staff. The staff analysis found the transmission projects to be consistent with the RES, despite a mixed impact with regard to the goals of the RES (Attachment 1). The analysis concluded that the projects are consistent with RES transmission goals, but potentially inconsistent with goals to increase in-region peak load and renewable generation.

The subcommittee voted to forward a different recommendation to the full EWG for its February 28, 2008, meeting. The subcommittee’s recommendation found that both transmission line projects were consistent with the RES 2030 solely because they met Goal 5, to:

“Increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and competitively priced supply.”
On February 28, 2008, the EWG discussed the transmission projects and evaluated their consistency with the RES. The EWG was presented with both the staff and Subcommittee recommendations. As in past EWG discussions on the topic, there was significant disagreement on the appropriate action to take. Energy Working Group Co-Chair Henry Abarbanel distributed and introduced a proposed motion, which concluded that the projects were inconsistent with the RES, including Goal 5.

The basis of that motion was that while Goal 5 supports increasing transmission capacity as necessary, the projects are not necessary, based on the evaluation of non-transmission alternatives in the Sunrise Draft Environmental Impact Report. The motion also took into account the state “loading order” regulation, which establishes a preference for energy efficiency and renewable energy over other energy resources.

The first vote on the motion was 10 in favor, five opposed, with six abstentions. Since there were 21 members present, the motion did not pass by a majority of the members present. Subsequently, six working group members left the meeting voluntarily. Another vote on the same motion was taken and passed by a vote of 10 in favor and five opposed. The motion then passed by a majority of the voting members present.

BOB LEITER
Director, Land Use and Transportation Planning

Attachments: 1. Transmission Project Staff Analysis
2. Proposed Motion for EWG 2/28/08

Key Staff Contact: Brian Holland, (619) 699-6915, bho@sandaq.org
Transmission Projects Staff Analysis

SUNRISE POWERLINK PROJECT DESCRIPTION

The Sunrise Powerlink transmission line proposal is for a 150-mile high-voltage transmission line that will run from the existing Imperial Valley substation in the east to the Rancho Peñasquitos substation in San Diego in the west. The project will be capable of importing 1,000 megawatts (MW) of electricity into San Diego County. The program’s application includes substation upgrades. SDG&E cites the following as project objectives:

1. Maintain reliability of service
2. Provide transmission capability for renewable resources
3. Reduce energy costs in the San Diego region

SDG&E filed an Application for Certificate of Public Convenience and Necessity with the CPUC for the Sunrise project in December 2005. An amended application was filed by SDG&E with the CPUC on August 4, 2006. In July 2007, evidentiary hearings commenced. The purpose of these hearings was to receive information from the proponents of the proposal for evaluation by stakeholders and interested parties. These proceedings were completed, but discovery hearings via telephone have continued to date.

The hearings for the second component of the application are currently underway, with data requests and responses being produced on a daily basis by proceeding interveners, SDG&E, the CA ISO, and others. A final decision by the CPUC on the application is anticipated for fall 2008.

Draft Environmental Impact Report (DEIR)

The CPUC released its DEIR for the Sunrise Powerlink project on January 3, 2008. The DEIR evaluates and describes the potential environmental impacts associated with the construction and operation of the proposed project, and evaluates 27 alternatives to the project that are feasible and would largely meet the project objectives.

The DEIR found that the Sunrise Powerlink project would present 50 significant, unmitigable impacts. The project is the greatest overall length of all alternatives studied and the DEIR found numerous impacts within Anza-Borrego Desert State Park, including de-designation of state wilderness, degradation of views and recreational opportunities, and impacts on Traditional Cultural Properties.

The DEIR found five alternatives environmentally preferable to the project, including in-region generation, the Lake Elsinore Advanced Pumped Storage hydroelectric plant (LEAPS) transmission project, and northern and southern route alternatives.

TALEGA-ESCONDIDO/VALLEY-SERRANO (TE/VS) PROJECT DESCRIPTION

The TE/VS transmission interconnection is a 500-kilovolt (kV) line, approximately 30 miles in length, and would connect Southern California Edison’s (SCE’s) existing Valley Serrano 500-kV transmission line in western Riverside County with SDG&E’s existing 230-kV Talega-Escondido transmission line in
northern San Diego County. The project includes the construction and operation of new electrical substations and upgrades to both the SCE and SDG&E systems.

The Nevada Hydro Company cites the following project objectives:

1. Provide a transmission interconnection from the LEAPS to the transmission systems of SCE and SDG&E.
2. Interconnect the SCE and SDG&E transmission systems and facilitate wholesale diverse bulk power transfers between those systems and from neighboring areas to those systems.
3. Provide transmission capabilities for the transport of renewable energy resources from the Tehachapi region and the Imperial Valley to assist in meeting or exceeding California Renewable Portfolio Standard goals.

An Application for Certificate of Public Convenience and Necessity was filed by Nevada Hydro Company on October 17, 2007, and upon successful submission of a Proponents Environmental Assessment, a proceeding will begin with the CPUC. Because the TE/VS transmission proposal was introduced with a large-scale pumped storage project, federal licensure for the project was required as well. An application for license of the LEAPS was filed with the Federal Energy Regulatory Commission (FERC) on September 15, 2000. On January 30, 2007, FERC and the United States Forestry Service (USFS) Environmental Impact Statement was published, marking the approval of the application. The applicant is currently awaiting water permits from California prior to the granting of the project’s federal license. The Nevada Hydro Company states that it plans to go forward with permitting and construction of the TE/VS project even if the LEAPS project does not receive FERC approval.

SUMMARY OF STAFF ANALYSIS

In summary, staff finds that the Sunrise Powerlink and TE/VS proposals are consistent with the RES, despite a mixed impact with regard to the goals of the RES. Each project increases transmission capacity to the region. Each proposed project also provides an opportunity to increase the import of renewable sources of electricity to the region, although the import of those renewables cannot be guaranteed. However, since both projects are proposed to import renewable resources, they may result in a disincentive to meet the RES goal of producing 50 percent of its renewables in-region. By increasing import capacity, the projects also may prevent the region from meeting its in-region peak load generation goal for 2020.

Staff also wishes to make note of one observation about the transmission projects evaluation process. The EWG was requested to analyze the projects for their consistency with the RES, but the RES does not provide a complete framework for decision-making on energy projects. In-depth analysis of the merits of these projects was necessarily omitted from the staff evaluation because many of these issues were not specifically addressed in the goals and strategies of the RES. Other considerations, such as cost and environmental impact, may factor in to SANDAG decision-making on an appropriate course of action with regards to the Sunrise Powerlink and TE/VS projects.
REGIONAL ENERGY STRATEGY 2030

The RES has served as the region’s energy policy document since it was approved by the SANDAG Board of Directors in 2003.

Goals and Implementation Strategies

The following is a listing of the RES goals and implementation strategies related to energy infrastructure:

Goal 2: In-region peak load generation capacity. Achieve and maintain capacity to generate 65 percent of summer peak demand with in-county generation by 2010 and 75 percent by 2020.

1. Repower, retire, or replace existing older, inefficient regional power plants. Replacement or re-powered plants should employ state-of-the-art technologies (such as dry-cooling) to minimize impacts on the environment, water resources, and public health.

2. Construct sufficient new efficient, clean power plant(s) that employ state-of-the-art technologies (such as dry-cooling) to minimize impacts on the environment, water resources, and public health.

3. Develop a process to identify and, if necessary, zone appropriate land for future energy infrastructure.

4. To the greatest extent possible, utilize local workers, contractors, training programs, and manufacturers to support building a sustainable local energy economy.

5. Partner with existing training programs and community outreach groups to train the next generation of the region’s energy workforce and energy decision-makers for future energy infrastructure construction.

Goal 3A: Increase use of renewable resources/Goal 3B: 50 percent of renewables from in-region sources. Increase the total electricity supply from renewable resources to 15 percent by 2010 (~740 MW), 25 percent by 2020 (~1,520 MW), and 40 percent by 2030 (~2,965 MW). Of these renewable resources, achieve 50 percent of total renewable resources from resources located within the county (~370 MW by 2010, ~760 MW by 2020, and ~1,483 MW by 2030).

1. Develop a regional renewable energy development initiative to assist and promote the availability of renewable energy systems for public agencies, commercial and industrial customers, and residential consumers.

2. Create a coalition of community-based organizations to jointly fund a regional penetration, feasibility, and placement study for renewables in the region.

3. Evaluate opportunities for public-private ventures to develop large-scale renewable projects within the region to serve the needs of the region’s renewable energy supply goals.

4. Develop remaining opportunities to tap local landfill gas resources.

5. Organize a corporate pledge program to support a strong commitment to regional renewables development and use.
6. Develop financing mechanisms to address the upfront capital costs of energy supply systems, such as solar electric systems.

7. Support changes to the newly enacted Renewable Portfolio Standard to allow accelerated credit for onsite renewable energy generation.

8. Support the removal of the current cap on the total capacity of renewable energy systems that can take advantage of net metering (0.5 percent of peak demand or 18.7 MW).

9. Promote quality jobs for workers employed in the energy sector through the invigoration of the local renewable energy industries.

10. Develop incentives for increased levels of research and development in the region for new emerging technologies.

11. Develop a binational renewable energy development plan with Baja California to develop the sizable potential of solar, wind, and geothermal energy generation in Northern Baja.


Goal 4: Increase percentage of peak demand met with distributed generation. Increase the total contribution of clean distributed generation resources (non-renewable) to 12 percent of peak demand by 2010 (~590 MW), 18 percent by 2020 (~1,100 MW), and 30 percent (~2,225 MW) by 2030.

1. Support regulatory changes that permit customers to use excess power production by distributed generation to offset energy usage of other accounts (wheeling).

2. Support the removal of regulatory barriers to self-generation, such as standby charges and exit fees.

3. Develop programs and processes to promote the use of distributed generation resources. In particular, support the continuation of the Self-Generation Incentive Program with funding for all categories of distributed generation technologies.

4. Develop and implement standardized and streamlined permitting processes for all distributed generation technologies in all regional permitting agencies.

5. Develop a distributed generation economic development program to attract producers and suppliers of distributed generation.

6. Develop a regional distributed generation education campaign.

7. Maximize use of state-funded and authorized incentive and financing programs.

8. Aggregate distributed generation equipment purchases where feasible.

9. Encourage statewide working groups to develop a long-term deployment strategy for distributed generation technologies.

10. Encourage a regional or statewide aggregate level dispatchable power program and/or market that rewards participants while offering greater system reliability.

11. Promote innovative research and development of energy technologies that would improve energy, environmental performance, fuel diversity, and the local economy.
Goal 5: Increase transmission capacity. Increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and competitively-priced supply.

1. Pursue viable options for an additional high-voltage transmission interconnection to the region to improve reliability. Identify a project as soon as possible and complete construction by 2008.

2. Complete the necessary upgrades to the transmission system to improve reliability and access to new generation in Baja California, as well as interconnections with renewable energy development in Imperial County and Eastern San Diego County.

3. Actively participate in established regulatory forums to encourage an energy infrastructure planning process that is transparent and more accessible to the public.

4. Conduct specific transmission infrastructure studies to evaluate, improve, and ensure system reliability.

5. Continue to work with the CA ISO, SDG&E, and surrounding states (including Baja California) to evaluate all alternatives for improving transmission supply into the region.

6. Complete a long-term study to evaluate the need for and identify potential sites and corridors for future energy infrastructure projects with an emphasis on transmission that would enable better access to renewable generation sites.

7. Develop a process to identify and, if necessary, zone appropriate land for future energy infrastructure to avoid conflict of needed energy infrastructure with future development.

Guiding Principles

The following guiding principles inform the policies contained in the RES:

- The supply portfolio will be diversified, cost-efficient, environmentally sound, self-sustaining, secure, and reliable.

- The planning process will be open and inclusive.

- Energy projects, programs, and policies will protect the interests of the vulnerable and disadvantaged communities in the San Diego region and Mexico.

- The region will have adequate indigenous resources to ensure reliability and stabilize prices.

- Energy efficiency and demand management programs will be preferred over the development of new fossil-fueled generation resources.

- Future development and land use planning decisions will reflect progressive standards for energy efficiency and responsible energy supply.

- Energy programs and policies will support economic development activities and the creation of new jobs in the San Diego region.

- Public awareness and education programs will promote responsible energy decisions by the public.
San Diego and Baja California, Mexico, is an inseparable economic and environmental region, requiring close coordination of energy planning and action. Recognizing this union of economy and environment, energy generated in Mexico for use in the San Diego region should be encouraged to comply with both California and United States environmental and labor laws. Likewise, energy projects located in San Diego should take into account potential environmental effects in nearby Baja California.

Markets and regulation must be designed and adapted as necessary to maximize the benefits of competition in wholesale markets while protecting the public from inappropriate pricing practices in retail markets.

All energy usage affects the environment. Any energy policy or program must balance benefits and costs against the impact on the environment.

Energy is an essential social need. All energy policies and programs must consider environmental justice impacts by ensuring the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income.

**PROJECT EVALUATION**

The following table summarizes the conclusions reached in the staff evaluation.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sunrise Powerlink</th>
<th>TE-VS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 2:</strong> In-County Peak Load Generation Capacity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Goal 3A:</strong> Increase of Renewable Resources</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Goal 3B:</strong> 50% Renewables from In-County</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Goal 4:</strong> Increase Distributed Generation % of Peak Demand</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Goal 5:</strong> 1. Increase Transmission Capacity as Necessary for Better Reliability, 2. Better Access to Renewables, and 3. Low-Cost Supply</td>
<td>++</td>
<td>++</td>
</tr>
</tbody>
</table>

**Key**
- ++ Contributes to goal
- + May contribute to goal
- 0 No effect or unknown effect on goal
- - May conflict with goal
- -- Conflicts with goal
The following passages describe the analysis of each transmission project relative to RES goals.

**Goal 2: In-region peak load generation capacity**

Both the Sunrise Powerlink Proposal and the TE/VS proposal would effectively result in a decrease in the in-region generating capacity serving the region over time. This is because reliability must-run (RMR) contracts that currently mandate that the generating facilities stay online would no longer be needed and would most likely be removed. The projects are consistent with the goal for 2010, as 65 percent of in-region generation would be maintained even if the RMR contracts were removed and Encina and South Bay Power Plants were not included in the region’s generation mix. However, by 2015, the in-region generation resources would not follow the upward trajectory necessary to meet the in-region generation goal for 2020, resulting in a potential conflict with the goal.

**Goal 3A: Increase use of renewable resources**

The Sunrise Powerlink plan includes the potential to import renewable resources, including solar thermal resources under contract from the Imperial Valley. However, serious questions remain as to whether development of these renewable projects is financially and technologically feasible, and no assurances can be made about the mix of power that will be imported into the region over the Sunrise line. Therefore, the project may contribute to the goal of increasing the use of renewable resources, but that result is not certain.

Similarly, the TE/VS project connects the region to renewable resource areas, but there are no guarantees that the project will carry predominately renewable-sourced electricity. However, because TE/VS connects with an extensive grid, it is more likely that renewables from such sources as the Tehachapi Mountains wind projects could be imported.

**Goal 3B: Obtain 50 percent of renewables from in-region sources**

Either project could impede the goal of obtaining 50 percent of renewables from in-region sources. If the project facilitates compliance with the Renewable Portfolio Standard through out-of-region resources, there will be less of an incentive to develop in-region renewable resources.

**Goal 4: Increase percentage of peak demand met with distributed generation**

The projects do not necessarily promote or discourage distributed generation, and they may have mixed impacts on the goal. On one hand, increasing import capacity of centralized generation may disincentivize the addition of new distributed generation. With or without new high-voltage transmission, however, in-region distributed generation can be used to offset existing load or to serve new load by organizations throughout the region. Indeed, it is potentially beneficial to construct the lines to allow increased dispatchability of distributed generation resources should they not be needed on a full-time basis in-region.
Goal 5: Increase transmission capacity

Each of the projects contributes to the goal of increasing transmission into the region. The Sunrise project also is consistent with Implementation Strategy 2 of the goal, which is to provide access to renewable resources in Imperial County. TEVS is potentially consistent with that Implementation Strategy, depending on future interconnections with Imperial Irrigation District transmission lines.
Proposed Motion for EWG
2/28/08

The State of California “loading order” (see below) as embodied in the State’s Energy Action Plan and legislation over the past few years contains the governing guidelines for selection of new energy resources within California.

SANDAG’s Regional Energy Strategy (RES), adopted by the Board of Directors in 2003, has 9 goals primarily consistent with the State’s “loading order.” The revisions of the RES being developed in 2008 will use the loading order as a guide and add goals on infrastructure security and transportation fuels. The first four goals and goals 6, 7, and 8 are more or less the “loading order” restated. Goal 9 is outdated calling for a study to be completed by 2004.

Goal 5 of the RES is this: “Increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and low-cost supply.

Recognizing that the use of transmission lines to bring power to any region of California is the last option that should be considered within the “loading order” and the RES, it is the position of the SANDAG Energy Working Group that the two proposed transmission projects (the Sunrise Powerlink and the TE/VS project—also known as LEAPS) the SANDAG Board has asked EWG to evaluate, neither is consistent with the full set of goals and guiding principles of the 2003 RES adopted by the SANDAG Board.

The key word in Goal 5 is “necessary.” We have evaluated and the CPUC’s (California Public Utilities Commission) DEIR has evaluated energy resource strategies where increased transmission is not necessary. Indeed, in the CPUC DEIR new transmission comes as a third choice at best.

EWG recognizes that the SANDAG Board may wish to interpret the RES differently and, in reading Goal 5, may conclude new transmission is supportable. In that case, the EWG recommends ordering the proposed transmission projects in any public pronouncement of the projects.

The two projects both promise to bring renewable resources located in other regions of California into the San Diego region and this is an important feature of both projects. Indeed, both projects promise essentially the same benefits to our region with the main distinctions being the cost and the proposed route. If the Board wishes to support a transmission project, we recommend that they support the continued regulatory processing and decision-making on both projects.

In this case the SANDAG Energy Working Group recommends that, in conveying a recommendation to the California PUC, the project that represents the most efficient use of resources and value to ratepayers and that has the minimum impact on community health and the environment should be prioritized.
California’s “Loading Order”:

1. Optimize all strategies for increasing conservation and energy efficiency to minimize increases in electricity and natural gas demand.

2. Recognizing that new generation is both necessary and desirable, these needs should be met first by renewable energy resources and distributed generation.

3. Because the preferred resources require both sufficient investment and adequate time to “get to scale,” one should support additional clean fossil fuel, central-station generation. Simultaneously, one should improve the bulk electricity transmission grid and distribution facility infrastructure to support growing demand centers and the interconnection of new generation.
Regional Shoreline Management

Large-scale replenishment

- Preliminary planning activities
- Funding from the State of California
- Funding match allocation
### Funding Match Allocation Option Summary

<table>
<thead>
<tr>
<th>Option</th>
<th>Amount of Sand Received</th>
<th>Miles of Restored</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>50%</td>
<td>10%</td>
<td>40%</td>
</tr>
<tr>
<td>B</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>C</td>
<td>60%</td>
<td>10%</td>
<td>30%</td>
</tr>
<tr>
<td>D</td>
<td>45%</td>
<td>10%</td>
<td>45%</td>
</tr>
</tbody>
</table>

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### Small-scale Replenishment

- Sand Compatibility and Opportunistic Use Program
- Coastal Regional Sediment Management Plan
- Tijuana Estuary Science Study
Recommendations

- Recommend that the Board of Directors adopt the State fund match allocation methodology based on Option C, a 60/10/30 split among amount of sand received/miles of coastline restored/population.

- Recommend that the Chair of the Board of Directors submit a letter of support for the Tijuana Estuary Science Study.
Transmission Projects Analysis
Regional Planning Committee
March 7, 2008

Statement of Task

- SANDAG Board of Directors requested an analysis of the Sunrise Powerlink and TE/VS transmission proposals

- **Scope:** Determine whether the projects are consistent with the Regional Energy Strategy 2030 (RES 2030)
Sunrise Powerlink Project Description

- Application for Certificate of Public Convenience and Necessity filed with CPUC August 2006
- Currently in Environmental Impact Report Analysis Phase (DEIR released 1-3-08)
- Stated Project Objectives:
  - Maintain reliability of service
  - Provide transmission capability for renewable resources
  - Reduce energy costs in San Diego Region

Talega-Escondido/Valley Serrano (TE/VS) Project Description (aka LEAPS)

- Application for Certificate of Public Convenience and Necessity filed with CPUC October 2007
- Stated Project Objectives
  - Provide transmission capabilities for transport of renewable energy from Tehachapi and Imperial Valley regions to California
  - Interconnect SCE and SDG&E transmission systems
  - Provide a transmission interconnection for LEAPS generation project
Major Transmission Corridors & SPL

Legend
- 230 kV
- 500 kV
- Proposed 500 kV

MAP NOT TO SCALE

Regional Energy Strategy 2030 Goals

RES 2030 promotes the increase of:

- In-region generation
- Distributed generation
- Renewable resources, produced both in-region and imported
- Transmission supply to San Diego region, as necessary
Staff Analysis

Staff finds that both the Sunrise and TE/VS projects are consistent with the RES, despite a mixed impact with regard to the goals of the RES.

<table>
<thead>
<tr>
<th></th>
<th>Sunrise Powerlink</th>
<th>TE-VS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 3A:</td>
<td>In-region generation capacity</td>
<td>-</td>
</tr>
<tr>
<td>Goal 3A:</td>
<td>Increase of renewable resources</td>
<td>+</td>
</tr>
<tr>
<td>Goal 3B:</td>
<td>50% of renewables from in-region</td>
<td>-</td>
</tr>
<tr>
<td>Goal 4:</td>
<td>Increase distributed generation</td>
<td>0</td>
</tr>
<tr>
<td>Goal 5:</td>
<td>1. Increase transmission capacity as necessary for better reliability</td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>2. Better access to renewables, and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Low-cost supply</td>
<td></td>
</tr>
</tbody>
</table>

**KEY:**

++ Contributes to goal
+ May contribute to goal
0 No impact on goal
- May conflict with goal
-- Conflicts with goal
EWG Recommendation

- The Energy Working Group (EWG) recommends that the Regional Planning Committee (RPC) find the Sunrise Powerlink and TE/VS projects inconsistent with the full set of goals of the RES.

- If the RPC wishes to indicate its support for transmission projects, the EWG recommends that the RPC establish an order of preference among the projects, prioritizing that which represents the most efficient use of resources and value to ratepayers, and that has the minimum impact on community health and the environment.

EWG Evaluation Rationale

Both Projects are Inconsistent with the RES

- RES Goal 5: Increase the transmission system capacity as necessary . . . (for reliability, renewables, cost)

- CPUC “loading order” establishes rank order for procuring new resources:
  1. Energy efficiency and demand response
  2. Distributed generation and renewable
  3. Fossil-fired generation and transmission
EWG Evaluation Rationale

- Establish order of preference based on efficient use of resources, value to ratepayers, and minimum impact on community health and environment
- Based on RES Guiding Principles

Transmission Projects Analysis
Regional Planning Committee
March 7, 2008
# Talega-Escondido/Valley-Serrano Project FAQ’s

The Talega-Escondido/Valley-Serrano Transmission Line project (TE/VS) is an important project that will connect with Southern California Edison in the north and San Diego Gas & Electric in the south. The 500kV transmission line will be approximately 30 miles in length and will be able to carry a load of 1,500 Megawatts of energy.

*Much discussion has occurred over the relative merits of TE/VS and the Sunrise Powerlink, the transmission line proposed by San Diego Gas & Electric. Although TE/VS proponents do not propose their project as an alternative to the Sunrise Project, the California Public Utilities Commission, in its environmental review, has ranked the TE/VS project as being a far superior project, and a strong alternative. Some of the frequently asked questions regarding TE/VS and comparisons with Sunrise are:

<table>
<thead>
<tr>
<th>Question</th>
<th>TE/VS</th>
<th>Sunrise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How much will the project cost?</strong></td>
<td>$350 Million</td>
<td>$1.4 Billion</td>
</tr>
<tr>
<td><strong>How many miles</strong> of transmission lines will have to be constructed in order to complete the project?</td>
<td>Appx. 30 (2+ miles underground)</td>
<td>Appx. 150</td>
</tr>
<tr>
<td><strong>How much energy</strong> can be carried over the two individual transmission lines?</td>
<td>1,500 MW</td>
<td>1,000 MW</td>
</tr>
<tr>
<td><strong>When can operation start?</strong></td>
<td>Dec. 2009</td>
<td>2011?</td>
</tr>
<tr>
<td><strong>Has extensive environmental work already been completed?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Will the Federal government approve the project?</strong></td>
<td>Yes</td>
<td>Unknown</td>
</tr>
<tr>
<td><strong>Does the project provide for lower risks from fires?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Is the majority of the project to be constructed on uninhabited land so as to minimize impacts on homes and adjacent communities?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Will the project be directly tied to renewable energy resources in Imperial Valley and Tehachapi wind resources?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Does the project connect with an extensive grid to make it likely for the importation of renewable resources from throughout the West?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Does the project avoid travelling over state parks?</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>What is the cost to interconnect to the SDGE system?</strong></td>
<td>$74-$133 million</td>
<td>?</td>
</tr>
<tr>
<td><strong>What is the annual “net benefit” to the system in 2015?</strong></td>
<td>$97.67 million</td>
<td>$52.00 - ? million</td>
</tr>
</tbody>
</table>
Partial List of Supporters

Representative Darrell Issa
Representative Ken Calvert
Representative Duncan Hunter
Representative Mary Bono
Senator Dennis Hollingsworth
Assemblyman John Benoît
Former Assemblyman Ray Haynes
City of Canyon Lake
Fallbrook Utility District
San Diego North Economic Council
Temecula Chamber of Commerce
Murrieta Chamber of Commerce
Lake Elsinore Chamber of Commerce
Canyon Lake Chamber of Commerce

It is important to note that the forerunner to this project was, in fact, supported by almost every San Diego elected official in its previous iteration as the "Valley-Rainbow Project". Little has changed since the previous Valley-Rainbow project was proposed. The three significant differences are:

1. The routing selected: the routing was prepared in connection with and under the direction of the USFS. The route selected has minimal impact on both the environment and adjacent communities.
2. The current project is intended to access renewable energy resources from both the Imperial Valley and the wind energy producing regions to the north.
3. The route imposes no burden on Native American properties.
March 6, 2008


To Whom It May Concern:

I am a member of the Energy Working Group (EWG) and felt compelled to express my concern and dismay to the Regional Planning Committee (RPC) about the actions that occurred at the February 28th EWG Committee meeting. I concur with the minority opinion written by Mike Evans and Stephen Zolezzi. I voted against the resolution the RPC is now considering.

The scope of what the SANDAG Board of Directors asked the EWG to do was to analyze the two proposed transmission projects – Sunrise Powerlink and TE-VS. The scope of the analysis was to determine whether either or both projects satisfy the goals and guiding principals of the Regional Energy Strategy (RES) 2030. On February 12, the EWG subcommittee recommended the continued processing by the CPUC of both projects. The staff recommendation given to us to consider stated, "staff finds that the Sunrise Powerlink and TE-VS proposals are consistent with the RES, despite mixed impact on the goals of the RES".

As stated in our task, these two projects are importing electricity into the region. The recommendation that was approved at the EWG meeting clearly contradicts the task and states that the transmission projects are inconsistent with the full set of goals of the RES. As both projects are importing electricity, it is clear that they cannot meet either goal 2 or 3B due to the fact that both of those goals cover generation of electricity within the county. I believe that at the start of this process we were aware that these two goals could not be met, but to now state that these two projects are inconsistent with the goals when they meet goals 3A (increase of renewable sources) and goal 5, which increases transmission capacity for better reliability, better access to renewables and low cost supply.

Regarding goal 4 staff found that there is either no effect or an unknown effect to this goal. I feel that since there are only 3 goals that had the possibility to be met and that 2 of those goals were met, it is my opinion that both projects are consistent with the RES 2030.

It was disappointing that the majority of the EWG committee considered it appropriate to prioritize one project over another with no direction to do so. When this was brought to the chair's attention that we were not following Board direction he said that he didn’t work for the SANDAG Board. As a subcommittee member, I believe that we serve at the pleasure of the Board of Directors and should adhere to the guidelines set forth.

I urge you to consider the minority opinion of support of the staff and EWG subcommittee proposals. Thank you for your consideration.

Sincerely,

Rebecca Jones
Councilmember, San Marcos
Member, EWG Subcommittee
March 4, 2008

Honorable Jerome Kern
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Honorable Lesa Heebner
City of Solana Beach
635 South Highway 101
Solana Beach, CA 92075

Dear Councilmembers Kern and Heebner,

The City Council of the City of Del Mar supports the recommendation by SANDAG’s Energy Working Group (EWG) regarding the two proposed transmission projects (SDG&E, Sunrise Powerlink Project; Nevada Hydro, Talega-Escondido/Valley-Serrano 500 kV Interconnect Project) considered by them.

Therefore, the City of Del Mar asks, per Council action of March 3, 2008, that if the Regional Planning Committee (RPC) chooses to support a transmission project, that the RPC support the project with lower costs and higher protection of the environment. On the latter, we refer to the California Public Utilities Commission Draft Environmental Impact Report/Environmental Impact Statement dated January 2008.

The Public Utilities Commission’s draft EIR/EIS is available on the internet at: http://www.cpuc.ca.gov/environment/info/aspen/sunrise/toc-deir.htm. If you have any questions regarding any of the above, please feel free to contact Del Mar Council Member Henry Abarbanel, Chair of the EWG, at 858-534-5590 or habarbanel@delmar.ca.us.

Sincerely,

Dave Druker, Mayor

Attachment: CPUC’s EIR/EIS (ES.2) – Summary of Draft EIR/EIS Conclusions: Environmentally Superior Alternative (3 pages)

cc: Honorable J. Jones, Lemon Grove, SANDAG RPC Chair
RPC Members
Mayda Winter, Council Member in Imperial Beach
ES.2 Summary of Draft EIR/EIS Conclusions: Environmentally Superior Alternative

This EIR/EIS analyzes the environmental impacts of SDG&E’s Proposed Project as well as alternatives that were developed as a result of public and agency input during the scoping process. The EIR/EIS presents an analysis for the Proposed Project and 27 alternatives to the Proposed Project. As documented in detail in the Alternatives Screening Report (see Appendix 1 to the Draft EIR/EIS), 70 additional alternatives were also considered but eliminated from detailed consideration.

The CEQA/NEPA criteria used to determine whether to include alternatives for analysis in the EIR/EIS was based on the following three factors: (1) meeting most project objectives; (2) reducing significant effects of the Proposed Project; and (3) being feasible in terms of possible legal, regulatory or technical constraints. After an alternative was retained for analysis, the process used for comparison of alternatives was based solely on the environmental impacts of each alternative as defined in the EIR/EIS. The ranking of alternatives did not re-consider the extent to which each alternative met the original screening criteria.

The CPUC has identified the Environmentally Superior Alternative, as required by CEQA Guidelines 15126.6(e). In accordance with BLM planning regulations, BLM’s Agency Preferred Alternative will be identified in the Final EIS (BLM Manual 1790-1, Ch. V(B)(d)(c)). The BLM will select a preferred alternative following analysis of public comments on the Draft EIS/EIR and further internal review of the Draft EIR/EIS. NEPA guidance states that the environmentally preferable alternative is the one that causes the least damage to the biological and physical environment, and best protects, preserves, and enhances historic, cultural and natural resources (NEPA’s 40 Most Asked Questions, 6a).

The results of the comparisons of transmission and generation alternatives are presented below. The overall Environmentally Superior Alternative is listed first and the lowest ranked alternative is listed eighth. Additional detail on these conclusions and how they were reached is presented in Section ES.6 of this Executive Summary and Section H of the EIR/EIS. The ranking is based only on the level of environmental effects as determined in the EIR/EIS analysis. Note that while the numbers of significant, unmitigable impacts presented for each alternative below are informative, they do not explain the relative extent and scale of impacts so they cannot be used alone to compare alternatives. The highest ranked transmission alternative that provides direct access to renewable resources in the Imperial Valley is the southern route identified as the “Interstate 8 Alternative with Modified Route D Alternative,” which avoids Anza-Borrego Desert State Park.

Overall Environmentally Superior Alternative

1. New In-Area All-Source Generation Alternative

Description: One baseload and four peaking gas-fired power plants (700 MW) plus San Diego County renewable generation (300 MW of wind, solar photovoltaics, biomass/biogas; see Figure ES-2).

Rationale for Ranking: Has 35 significant, unmitigable impacts but gas-fired generation would be concentrated at already disturbed sites; only 11 miles of new transmission line. No effects on state parks or National Forest System lands. With smaller renewable components (with 150 acres of permanent habitat loss), ground disturbance and significant impacts to recreation areas and visual resources are reduced in comparison to the New In-Area Renewable Generation Alternative.
Environmental Ranking of other Transmission Projects and Alternatives

2. New In-Area Renewable Generation Alternative

Description: 1,000 MW of wind, solar thermal, solar photovoltaics, and biomass/biogas in San Diego County (see Figure ES-2).

Rationale for Ranking: Has 34 significant, unmitigable impacts resulting from substantial ground disturbance and visual impacts in and adjacent to recreation areas. No effects on National Forest System lands; visual impact of hypothetical Borrego Springs solar thermal facility would indirectly affect surrounding Anza-Borrego Desert State Park wilderness areas. Requires 47 miles of new transmission lines (with 1,600 acres of permanent habitat loss).

3. LEAPS Transmission-Only Alternative

Description: 32 miles of new 500 kV transmission line primarily on National Forest land in Riverside and Orange Counties; 48-mile upgraded 230 kV line in existing corridor; new substation, switching station (see Figure ES-3). Meets two of three major project objectives; does not provide direct access to the transmission grid for new renewable resources in the Imperial Valley.

Rationale for Ranking: Shortest transmission alternative. Has 30 significant, unmitigable impacts to visual resources, recreation, land use, and historic facilities. Substantially greater wildfire risk than non-wires alternatives. Highly visible in Cleveland National Forest, through northern Lake Elsinore, and at crossings of Interstate 15. Much shorter length of new transmission line compared to other transmission alternatives results in reduced impacts when compared to other transmission alternatives in biological and cultural resources, air and water quality, and visual resources.

4. Environmentally Superior Southern Route (SWPL) Alternative

Description: Interstate 8 Alternative with Modified Route D Alternative (and three route options). 110 miles total (104 miles overhead; 5.9 miles underground; see Figure ES-4). Meets all major project objectives including reliability with respect to fire risk and collocation with SDG&E’s existing Southwest Powerlink (SWPL), and allows for future transmission system expansion. Would encourage development of renewable generation in Imperial Valley with additional impacts.

Rationale for Ranking: Has fewer (32) significant, unmitigable impacts than the Environmentally Superior Northern Route Alternative; substantially shorter than Northern Route Alternative or Proposed Project; avoids Anza-Borrego Desert State Park and cultural resources of regional concern; crosses 16 miles of National Forest land but within acceptable land use zones and proposed Section 368 utility corridor. Collocated with existing 500 kV Southwest Powerlink for only 36 miles, in area of low fire risk.

5. Environmentally Superior Northern Route Alternative

Description: Proposed Project (75 miles) plus 8 alternatives (64 miles) replacing proposed segments, with 85 miles overhead and 54 miles of underground 230 kV transmission line (see Figure ES-3). Meets all major project objectives. Would encourage development of renewable generation in Imperial Valley with additional impacts.

Rationale for Ranking: Has 39 significant, unmitigable impacts. Requires extensive undergrounding to minimize visual impacts in scenic areas. Located underground through Anza-Borrego Desert

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State Park, requiring extended construction time and higher cost. Future transmission system expansion would likely require overhead transmission lines through the Park.

6. Proposed Project

Description: Route defined by SDG&E: 150 miles total (141 miles overhead; 9 miles underground 230 kV). One new substation; 4 substation upgrades; reconductor segment (see Figure ES-1). Meets all major project objectives. Would encourage development of renewable generation in Imperial Valley, with additional impacts.

Rationale for Ranking: Has 50 significant, unmitigable impacts. Greatest overall length of new transmission. New 500 kV line creates numerous direct impacts within Anza-Borrego Desert State Park including de-designation of State Wilderness, degradation of views and recreational opportunities, and impacts on Traditional Cultural Properties. Severe visual effects in Santa Ysabel Valley.

7. LEAPS Generation and Transmission Alternative

Description: 32 miles of new 500 kV transmission line primarily on National Forest land in Riverside and Orange Counties; 48-mile upgraded 230 kV line; new substation, switching station. New powerhouse, pumping/generation turbines, and reservoir. Meets two of three major project objectives.

Rationale for Ranking: Has 44 significant, unmitigable impacts. Generation facilities affect Forest land and City of Lake Elsinore, including residences and a school. Tailrace structure crosses Willard Fault; risk of dam and dike failure. Generation component causes loss of public access to over 100 acres of Forest land.

No Project/No Action Alternative. The No Project/No Action Alternative scenario includes a menu of likely development actions (with both generation and transmission components) that are considered to be more likely to occur in the absence of the Proposed Project. Most of these actions are also components of the alternatives ranked first, second, and third in the list above. The No Project/No Action Alternative would have fewer impacts than those of the Proposed Project, the Southern Route Alternative, and the LEAPS Generation and Transmission Alternative, and impacts equivalent to the alternatives ranked first, second, and third above. Only about 1,000 MW of in-basin generation or transmission import capacity would be required to replace the Proposed Project, so any one of the three top ranked alternatives would provide adequate resources. However, they may or may not all meet all three major project objectives, including provision of direct access to the transmission grid for new renewable resources in the Imperial Valley.
Minority Opinion Responding to SANDAG EWG Motion regarding Sunrise Powerlink and TE/VS Transmission lines on February 28, 2008

To Whom It May Concern, RPC and other SANDAG Committees who may consider endorsement of new transmission in the San Diego Region:

Background: At the February 28, 2008 SANDAG EWG Committee meeting, staff presented information regarding possible SANDAG EWG endorsement of two new proposed transmission lines, numerous public speakers offered their opinions regarding new regional transmission, primarily regarding Sunrise Powerlink, and the chair provided a proposed motion. With limited discussion, the motion was passed by the EWG Committee. Co-chairs Henry Abarbanel and Art Madrid welcomed minority opinions and indicated their willingness to read any minority opinions to the RPC. We ask that as appropriate, the minority opinion also be provided to other SANDAG committees which may act on the EWG recommendation.

The motion which was passed establishes an impossible hurdle, that a single proposed project must not just be consistent with the Regional Energy Strategy ("RES"), but must advance all five goals (2, 3A, 3B, 4 and 5) simultaneously in order to receive EWG endorsement. In this case, it was argued that new transmission would decrease the incentive for market participants to develop new in-basin generation or new in-basin renewables, so the new transmission line should not be endorsed but instead found "inconsistent" with the RES. Therefore, using this logic, support for new in-basin distributed generation would displace the need for new in-basin renewable generation or new transmission, and thus would also be found inconsistent with the RES. This creates a scenario in which only a very large package of multiple projects might ever be found to be consistent with the RES.

In this minority opinion, we recommend that when a proposed project seeks endorsement by SANDAG, that the proposed project is considered in light of consistency with the stated RES goals, and that second order effects do not negate SANDAG endorsement. In this case, goal five states:

"Increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and low-cost supply."

It is important to point out that new transmission does not preclude development of in-basin generation or in-basin renewables. In fact, market participants are still welcome to make these investments. But to adopt a "do not endorse transmission to force regional deficiencies" approach is to jeopardize system reliability to the detriment of the region, including governments, ratepayers and businesses. SANDAG must look to the good of the region, take a balanced view of the needs of the region, and determine if the immediate proposed project is consistent with the RES. This is, in fact, the guideline by which two months of EWG committee and subcommittee meetings and discussions regarding the possible endorsement of the new transmission lines took place.
Unfortunately, this criteria apparently was changed immediately prior to the February 28 proposed motion, with no EWG committee discussion.

**Minority Opinion:** This Minority Opinion supports both the recommendation of the EWG Subcommittee which met on February 12, 2008 and the staff recommendation presented in the February 28, 2008 Energy Working Group Agenda Item No. 4 description.

1. The EWG Subcommittee met for several lengthy meetings to receive relevant information on the proposed transmission lines. On February 12, the subcommittee passed the following recommendation:

   “The SANDAG EWG Policy and Resources Subcommittee recommends continued processing by the CPUC of both projects (TE-VS and Sunrise Powerlink), since they are both consistent with the Regional Energy Strategy Goal 5, which is to ‘increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and low-cost supply’.”

2. The staff provided the following recommendation for the February 28 meeting:

   “In summary, staff finds that the Sunrise Powerlink and TE-VS proposals are consistent with the RES, despite a mixed impact on the goals of the RES. Each project increases transmission capacity to the region. Each proposed project also provides an opportunity to increase the import of renewable sources of electricity to the region, although the import of those renewables cannot be guaranteed. However, since both projects are proposed to import renewable resources, they may result in a disincentive to meet the RES goal of production 50 percent of its renewables in-region. By increasing import capacity, the projects also may prevent the region from meeting its in-region generation goal for 2020. Staff also wishes to make note of two observations about the transmission projects evaluation process. First, EWG members are of very different opinions on project consistency with the RES, with many members believing that the projects are inconsistent. Second, the EWG was requested to analyze the projects for their consistency with the RES, but the RES does not provide a complete framework for the decision-making on energy projects. In-depth analysis of the relative merits of these projects was necessarily omitted from the evaluation because many of these issues were not specifically addressed in the goals and strategies of the RES. These considerations may factor in to SANDAG decision-making on an appropriate course of action with regards to the Sunrise Powerlink and TE/VS projects.” (emphasis added)

This Minority Opinion requests that RPC and subsequent SANDAG committees considering endorsement of the two new proposed transmission projects being considered as consistent with the RES pursuant to the above EWG Subcommittee and staff recommendations. Of particular interest we note the following issues of importance:
• **Increases Reliability** - Reliability in the San Diego area is critical to businesses. Lost production due to power outages, rolling blackouts or other grid reliability issues creates almost incalculable costs to businesses. Ultimately, businesses shut down or move out. New transmission means increased reliability. Some have argued that new transmission means more fires. We support construction that mitigates increased fire risk and the need for appropriate and if applicable increased fire fighting capability in the San Diego region. However, restricting construction of new transmission is not an effective means to fight fires.

• **Promotes New Renewable Generation** - New transmission will support the development of new renewable generation in the Imperial Valley, which is presently transmission limited. Some participants have argued that electricity, presently coming from low production cost combined cycle generation units on existing transmission lines, primarily on the Southwest Powerlink (SWPL), should have their energy schedules displaced by new renewable generation. Not only is this economically inefficient, but the new renewable generation owners will not be allowed to sell Resource Adequacy capacity under current CPUC rules without new transmission to assure delivery to load. The impact is to deprive the new generation resource of an important revenue source, ultimately resulting in higher customer costs. New transmission would promote new renewable generation facilities, and would reduce greenhouse gas production by displacing other higher heat rate fossil based generation. It is unlikely that valuable geothermal resources, which can provide baseload, scheduled energy, will be developed without new transmission. While the Green Path North project may provide some of this needed transmission capacity, its schedule is uncertain. The transmission lines considered presently by SANDAG are much further developed and could come on line in a shorter timeframe. Moreover, there are sufficient renewable capabilities in the Imperial Valley to fill both lines should both lines proceed.

• **Provides Lower Regional Electricity Prices** - A new transmission line to the region will increase the simultaneous import capability by an incremental 1000 MW, from 2500 MW to 3500 MW. This provides two benefits: more energy from lower production cost combined cycle units can be brought into the San Diego area, and also for many hours of the year, local generation will not be setting the locational marginal price, or “LMP”, for San Diego area under new California Independent System Operator wholesale electricity market rules. When local generation sets the price for San Diego region power, more expensive units will set the local price. A higher import capability will significantly reduce the number of hours that local generation will set the LMP. A vote against transmission lines is a vote for higher electricity prices for San Diego regional customers.

These outcomes are all consistent with the RES, and as described above, we strongly encourage the RPC and subsequent SANDAG committees to adopt the EWG subcommittee and staff recommendations to endorse both the Sunrise Powerlink and TE-VS Transmission Line proposals.
Concerns regarding Process:
As there was considerable time spent allowing public comment and two EWG committee members inviting a member of the public to speak at length, there was significantly less time to allow for committee discussion of the proposed motion or changes to the motion. The motion was rushed and there was inadequate time to reach consensus, as evidenced in the 10-5 initial vote with 6 abstentions, which did not provide the necessary majority vote. Instead of seeking time to reach agreement on a consensus motion, the committee members that abstained were asked to leave the room, effectively leaving the meeting. A second vote of 10-5 was taken and this was determined to then be a majority. There is probably a reason why a majority vote is required, and although those entities abstaining felt they could not vote due to their organization’s “neutral” position, it is reasonable that they are on the committee for a purpose, and that their participation is important to reach overall consensus.

Thank you for your consideration of this minority opinion and consideration of support of the staff and EWG subcommittee proposals.

Sincerely,

Mike Evans
Member, SANDAG Energy Working Group, San Diego Regional Chamber of Commerce Representative
Chair, San Diego Regional Chamber of Commerce Energy Committee
4445 Eastgate Mall, Suite 100
San Diego, CA 92121

Stephen A Zolezzi
Member, SANDAG Energy Working Group
Executive Vice President, Food & Beverage Association San Diego County
3110 Camino del Rio South #315
San Diego, CA 92108

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1 Some committee members have expressed concerns regarding conflicts of interest, so the following information is provided. Mr. Evans’ position reflects the San Diego Regional Chamber of Commerce’s stated endorsement regarding the Sunrise Powerlink as adopted by the SDRCC’s Board. Mr. Evans is employed by Shell Energy North America. While a Shell affiliate has tolling rights to the Costa Azul LNG regassification facility, it does not directly benefit from this project. The strength of the EWG committee, an advisory committee within SANDAG, resides in the many diverse members and objectives, all of which further the interests of the region, with a certain understanding that each member participates and votes according to their own inherent preferences and goals.

2 Mr. Zolezzi represents small businesses that are concerned with reliability of power and affordable rates. These projects will provide much needed availability of power that is renewable and cost effective, including geothermal power from the Imperial Valley that is renewable power available on a 24 hour basis.
Reasons for prioritizing the TE/VS project:

1. It has an apparently lower cost. This is primarily due to its shorter length: 30 miles for TE/VS versus 140 for Sunrise. TE/VS project proponents put their cost at ~$400 million, versus $1.3 billion for Sunrise.

2. The CPUC Sunrise DEIR assigns a much higher environmental preferability to the TE/VS alternative (3rd) than to Sunrise (6th).

3. The project is consistent with the Board's past support of the Valley Rainbow project. TE/VS is essentially the same project as Valley Rainbow, but improved in that it has a smaller impact on surrounding communities and the environment.

4. TE/VS has the ability to transport renewable energy to our region from multiple sources: from existing sources in the Mohave Desert, the Tehachapi Mountains, and from the Imperial Valley (depending on a proposed interconnect with IID transmission, supported by IID).

5. The TE/VS proponent (Nevada Hydro, LLC) is in discussion with the Imperial Irrigation District to import energy from geothermal sources into San Diego. The Imperial Irrigation District disengaged from Sunrise in 2007.

Composed and presented by EWG Co-Chair Henry Abarbanel