U.S. DEPARTMENT OF ENERGY

Public Scoping)
Comment Period)
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In Re: West-Wide Energy)
Corridor Programmatic)
EIS)
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PUBLIC MEETING
TUESDAY, NOVEMBER 1, 2005
2:00 P.M.

Held At: Radisson Hotel
500 Leisure Lane
Sacramento, California

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serve as a primary point of contact with the Federal Government in this proceeding.

We would therefore ask you ensure all communications and information pertaining to the work on the PEIS concerning California be made available to the Energy Commission for its review and comment.

Thank you for your consideration of these comments.

MR. JOHNSON: All right. If you have a hard copy of your comments, we could take them or you could give them after the session is over.

CA03

Thank you. Our next speaker is William Zobel.

MR. ZOBEL: Good afternoon. I also have a statement to read into the record. Terry has stolen my thunder. But it's good to hear we're here on the same page.

My name is Bill Zobel with Sempra Energy. I'm here today representing Sempra Energy Company.

Sempra Energy is based in San Diego, California. It's a Fortune 500 Service Holding Company which provides electricity, natural gas and value added products and services to the economy.

Sempra Energy Company employs close to 13,000 plus people and is serving more than 10 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

Sempra Energy supports the Federal Government's

designation of energy corridors on Federal land. This is an important issue to provide the safe, reliable and cost effective delivery of energy to the American people.

Congress reinforces this as a national priority in their actions of the Energy Policy Act of 2005 that brings us here today.

As the nation's economy continues to expand, our population continues to grow and so will our need for energy.

While we have seen great success in the demands I've mentioned, this does not and will not preclude the need for additional supplies of energy and the infrastructure necessary to carry the load centers. We simply cannot conserve our way out of the need for additional energy supplies and infrastructure.

At the highest level, the corridor designation process must take into account public safety and system reliability, create opportunity to optimize cost-effective delivery of energy in a competitive manner and support to the extent feasible of the renewable portfolio objectives in the western states.

System-wide reliability and public safety must be a primary consideration in the identification of the corridors as has already been mentioned today.

The need for additional facilities and upgrades to

existing ones is abundantly clear. As recently as this past August 25th, the California independent system operators required a transmission emergency causing a forced outage of more than 450,000 customers in our service territory.

It will take the concerted and cooperative efforts of both public and private interests to make the necessary long-term improvements to prevent future events like this from occurring.

Optimizing energy delivery for customers depends on several factors. Not the least of which is access and availability to energy infrastructure and ensuring the corridor designation process does not distort competitive markets.

One alternative to be evaluated by the PEIS as mentioned in the Federal Register is an optimization analysis of the new and existing corridors based on a set of criteria and strategies that incorporate environmental concerns, project the supply and demands, network efficiencies, landscape features, the availability of new technology and cost.

In addition to these, we recommend you also consider the competitive process for the delivery of energy. If done correctly, this comprehensive analysis including all of these factors should clearly identify the best possible

solutions.

With regard to renewable energy, many states have taken the initiative and imposed renewable energy portfolios on regulated utilities. In order for the regulated utilities to meet their goals, land throughout the country must be set aside for renewable energy project developments. These projects must have competitive access to markets.

In California we have a goal of achieving 20 percent of our demand served by the renewable energy by 2010. This is an aggressive target. It will require the cooperation of both State and Federal agencies if we're to be successful.

We support and encourage the Federal Government to work closely with the State of California to ensure this process does its part to meet that goal.

Ongoing experiments with energy infrastructures development are showing us space -- available space for energy infrastructures are diminishing at a rapid pace. Southern California in particular has experienced substantial residential growth in the past several years. This, coupled with many land use restrictions imposed by Federal, State and local government, limits energy infrastructure sites.

Our case in point, we recently unveiled a proposal to

build a new electric transmission line between San Diego and Imperial counties. This project could produce enough power to serve 650,000 customers. It's called the Sunrise Power Link.

This is an example of trying to site a project on land where no dedicated utility corridors currently exists. Existing land use and environmental concerns make siting the route an extreme challenge. Having the ability to access dedicated energy corridors for configuring a specific route would make this segment easier for future projects. Something to keep in mind.

In a more general sense, the geographic location of our regulated business -- excuse me -- pose some specific concerns. First, the Federal Government is Southern California's largest landowner as was pointed at the opening of the presentation. In particular, San Diego County serves as home to numerous defense facilities. On one hand, this adds national security component to the importance of ensuring energy delivery systems for the region. But it also adds the unique difficulty in that these facilities are large plots of land that in many cases block access to existing or proposed energy transmission infrastructure. We need to solve this problem and we -- to do so, we recommend the Department of Defense property be explicitly considered in this process.

Doing so opens up critical areas of government land's energy in the infrastructure development and adds to the security or adds to the security transmissions.

Second, directly south of our California utilities service territory is the sovereign nation of Mexico, which presents immediate concerns. For example, close proximity on both sides of the border creates a need for new energy projects of delivery infrastructure. These issues are further complicated by the fact the projects within Mexico are outside of the jurisdiction of the U.S. planning process, making infrastructure decisions difficult -- infrastructure decisions that much more difficult.

We encourage the Federal Government where appropriate to consider working cooperatively with Mexico on these issues to ensure the best possible solutions for everyone.

And, finally, Sempra Energy Companies are very interested in the identification of these corridors for a variety of specialists. We have specific concerns we will identify in detail in our later comments. I want to mention a few of them here today.

One, corridors natural gas transmission projects associated with the delivery of energy supplies to our service territories might be considered.

Two, corridors touching off Camp Pendelton need to be

considered as well.

Three, corridors expanding our connection with Southern California Edison system to the north to strengthen our transmission system supply in the Orange County service area.

Four, corridors connecting to our Sycamore Canyon substation need to be reconsidered and strengthened.

And, finally, corridors connecting potential wind generations in San Diego County, and existing transmission systems and the plans of substations.

I want to thank the Department of Energy, Interior Bureau of Land Management, Agriculture for their efforts on this project.

Sempra Energy supports the designation of energy corridors. Formal comments will follow.

CA04

Thank you.

MR. JOHNSON: Thank you. Next speaker will Diane Ross-Leech.

MS. ROSS-LEACH: Good afternoon. My name is Diane Ross-leech and I represent Pacific Gas and Electric Company, another energy provider. We serve 1 in 20 Americans. We are the largest investor on the utilities. I want to thank you for having this meeting and inviting us to participate.

PG&E supports this effort and we have a few comments