

A Sierra Club Fact Check: SDG&E's Billion Dollar Power Plant Scheme

SDG&E is proposing to contract for 450 MW of new peaking power plants, including the 100 MW "Quail Brush" and 300 MW "Pio Pico" projects. SDG&E states this capacity is needed to address a projected gap in local capacity on hot days and to ramp quickly to "fill in the gaps" for intermittent solar and wind output. Here are the facts that debunk SDG&E's claims:

- **SDG&E's peak demand growth has been relatively static** for seven years, swinging somewhat above and below 4,500 MW. Peak demand has varied from 4,601 MW in 2007 to 4,643 MW in 2010 to 4,619 MW in 2012. In other years the peak demand has been well below 4,600 MW. For example, peak demand in 2006 was 4,469 MW. Peak demand in 2011 was 4,354 MW. Claims by SDG&E that peak demand is rising and new peaker plants are needed for the hottest days are wrong.
- **SDG&E has ample power generation reserves without San Onofre.** SDG&E is required to maintain some reserve supplies to assure grid reliability at peak demand. The requirement is 15 to 17 percent. SDG&E had reserves of about 24 percent during the hottest hour of the year on September 14, 2012 without San Onofre.
- **SDG&E is attempting to force the retirement of fully functional local power plants** to create a need for the new peaking units. These plants include NRG's 964 MW Encina Power Plant (Carlsbad), and nearly 200 MW of existing NRG peaker gas turbines. Encina can retrofit cooling towers to meet OTC requirements at 1/10th the cost of a new peaker plant. The 200 MW of NRG peaker gas turbines can be kept available if SDG&E simply extends the lease, as SDG&E is the property owner.
- **Local rooftop and parking lot solar combined with energy efficiency and a smart grid is the obvious alternative to new peaking power generation.** San Diego County has a rooftop and parking lot solar potential of approximately 7,000 MW, far more than the peak demand in SDG&E territory. Right now there is solar on 15,000 rooftops and parking lots in our county, making us number one in the nation. By 2020 we will have ten times as much local solar power because of rapidly falling manufacturing costs and the boom in leasing rooftop systems.
- **Peaking power plants do not create anywhere near the permanent job growth of rooftop and parking lot solar.** Quail Brush and Pio Pico would create less than 25 permanent jobs. The state of California estimates about 150 permanent jobs are created for each 100 MW of local solar added (Air Resources Board, June 2010). The San Diego region already has hundreds of jobs tied to local solar.
- **Peaking power plants are not a deal for SDG&E ratepayers.** The initial capital cost of Quail Brush would be \$150 million. The amortized cost over 20 years, in current dollars, would be ~\$600 million according to the California Energy Commission. Pio Pico would cost over \$1 billion over 20 years. The cost of these plants, which would be **paid by ratepayers**, will translate into higher electricity bills.

The Sierra Club San Diego Chapter's *Run with the Sun* campaign prepared this fact sheet. We are happy to provide the sources for our facts. You may reach us via www.runwithsun.org.



What We Want the CPUC to Hear

- We support the proposed decision by Commissioner Ferron and the Administrative Law Judge rejecting the Pio Pico and Quail Brush power plants because they are not needed.
- We are already on a successful path of energy efficiency, conservation, and local solar—just like the state mandated loading order requires before adding more dirty energy to the mix.
- Natural gas plants are dirty energy that ramp up climate change and harm public health. They are not welcome in San Diego anymore.
- Please tell the Commissioners we support their proposed decision and we don't want to turn back from our growing local, clean energy economy and quality of life.