

Natural gas gets 2nd look after nuke shutdown

By [Morgan Lee \(/staff/morgan-lee/\)](/staff/morgan-lee/) 5:58 p.m. June 11, 2013



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SDG&E President Mike Niggli at the operations center — *Nelvin C. Cepeda*

With San Diego's nuclear plant shut for good, utility officials are reviving a proposal for a major new natural gas power plant in an industrial zone south of San Diego.

Plans for the Pio Pico Energy Center, adjacent to an existing power plant in unincorporated Otay Mesa, were rejected in March by the California Public Utilities Commission, saying there was no need for the facility until at least 2018. But the door was left open for a repeat application.

San Diego Gas & Electric President Mike Niggli said circumstances have changed with the closure of the San Onofre nuclear plant.

"I think what we see now is the opportunity to take a facility that has been through the entire process of having a competitive bid, the lowest cost facility for our customers, and have that come on as a good solid supply," Niggli said.

Under the previous application, the Pio Pico project would cost utility customers more than \$1 billion under a 20 year contract. Exact terms were not made public under rules designed to protect competitive bidding.

The power plant application kicks off efforts to redraw the Southern California energy grid without San Onofre's twin reactors, which generated enough energy to power 1.4 million homes. Advocates for alternatives to fossil fuels vowed to challenge the proposal, saying it would cut short efforts to meet energy needs though through conservation, rooftop solar and energy efficiency and other clean technologies.

Under California law, those resources are given priority over the development of fossil fuel plants in an effort to reduce air pollution and forestall climate change

<http://www.utsandiego.com/news/2013/jun/11/natural-gas-plant-revival/all/?p...> 6/12/2013

SDG&E officials have argued that Pio Pico and other quick-start natural gas plants will be needed to offset more solar and wind energy generation that varies with the weather. Utilities are required to generate one-third of their electricity from renewable sources by 2020.

The state announced Monday that it is moving forward with new energy storage requirements that can help even out the availability of power generated by wind, solar and other renewable sources.

California's main grid operator is forecasting adequate energy supplies for this summer, but also is actively preparing consumers to conserve energy on short notice in the event of extreme hot weather or the failure of power plants and transmission lines or both.

Adding to concerns, the economic recovery is expected to increase peak summer power demands for the first time in several years, according to the California Independent System Operator. It sourced its forecast to Moody's Analytics.

Nicole Capretz, of the National City-based Environmental Health Coalition, said the Pio Pico application will be challenged once again by a coalition of six California environmental justice groups, and would hold the utilities commission to its comments in March.

"What we heard the commission say is we do not need new power plants in San Diego until at least 2018, and we have a few years to figure out how to meet any energy needs with alternate sources other than fossil fuels," Capretz said. "The truth is that we have excess resources ... and that's why no one is suggesting we are in trouble."

SDG&E will submit its application within the next two weeks, said Niggli, speaking at a news conference about summer power supplies and conservation efforts.

Attending the event, state utilities Commissioner Catherine Sandoval acknowledged that the previous application for Pio Pico did not take into consideration needs without San Onofre.

"When we considered this before it was a possibility it might come back on," Sandoval said. "Now we know that it will not."

The new application, she said, "will be put out for public comment and reply comments, the opportunity for workshops and analyses that look at the benefits and the costs and whether or not this is justified in terms of the needs."

The California Independent System Operator said the electric grid faces slightly greater challenges this summer than last year, when San Onofre also was offline. Energy consumption peaks during the hottest summer months with widespread use of air conditioning.

The Los Angeles basin has added roughly 2,000 megawatts of new natural gas generators, leaving San Diego as an area of particular concern in the event of an extreme heat wave.

Consumers can sign up for conservation alerts at flexalert.org and are being urged during hot weather to turn up the thermostat and delay heavy appliances until late in the evening.