

Environmental Health Coalition

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Green Energy Options Report Released to Address San Diego Energy Future

(February 15, 2007) – San Diego, California. Environmental Health Coalition (EHC) released *Green Energy Options for Replacing the South Bay Power Plant* (GEO) today, a report by Oakland-based non-profit Local Power, Inc., which makes it clear that **clean, secure energy solutions are available** to meet our energy needs now and into the future.

EHC called on the City of Chula Vista and the San Diego Port District to take action now to secure the tear-down of the current South Bay Power Plant when the lease expires in February, 2010, and to join with other leaders to develop a **South Bay Clean Energy Action Plan**.

The GEO reports on the feasibility and cost-effectiveness of replacing the South Bay Power Plant with competitive clean energy solutions by 2010. The report demonstrates the economic and environmental benefits of meeting the region's future energy needs with *diverse* and *decentralized* energy resources and offers a plan that reduces dependency on imported energy supplies.

Instead of continuing reliance on a large natural gas-fired plant, the GEO outlines choices that would constitute a diversified portfolio that includes:

- aggressive energy efficiency and demand reduction,
- solar and other renewable generation sources,
- improvement in the efficiency of the existing transmission grid, and
- strategically located and greatly scaled down natural gas-fired generation with the option to recycle waste heat for commercial and industrial use

"The report documents that there are clean energy options for meeting our energy needs without the large, polluting, gas-fired power plant proposed by LS Power. These options would not only be cost-effective, but would set us on the path to reduce greenhouse gases. Our goal is to make sure that these choices are considered now," stated Diane Takvorian, Executive Director of Environmental Health Coalition.

In supporting the direction outlined in the GEO report and the initiation of a clean energy action plan, Chula Vista City Councilmember Steve Castañeda stated, "It is critical that South Bay leadership forge a unified direction on meeting our future energy needs. I'll be urging my colleagues on the City Council to take necessary action soon to ensure that power generation is

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moved off our bayfront and we focus on cleaner energy choices for the future. We know it will be better for our health and our economy in the long-run.”

While the GEO report outlines three conceptual energy portfolios for cleaner options that would allow the reliability-must-run status to be removed from the current power plant, it also outlines the many benefits of renewable energy development.

Key Findings of the GEO Report

Greener energy options exist within San Diego County and, coupled with maximizing the efficiency of existing transmission lines, building standards, demand response, and decentralized renewable energy development, the need for another large, gas-fired baseload power plant on the Bayfront should be avoided.

Chula Vista is best poised to pursue a greener energy portfolio through the application of Community Choice Aggregation or other municipal funding mechanisms.

Greener energy options could reduce particulate pollution and carbon dioxide emissions every year by 60-80% over a new gas-fired plant.

Chula Vista investment in renewable energy and conservation facilities involves a lower degree of economic risk than investment in a 100% natural gas generation power plant, because there is reduced exposure to the highly volatile price of natural gas that usually constitutes from 50% to 80% of the life cycle cost of a gas-fired power plant.

Renewable and conservation facility assets will retain their market value and generate revenue after bonds or other financing are repaid, in some cases for decades, offering both returns on public investment and very low cost energy for local government, residents and businesses.

Potential green energy assets exist in the region to avoid the need for another large transmission line like the Sunrise Powerlink or a replacement power plant on the Bayfront.

The Greener Energy Options will help the region to meet the state-mandated renewable energy targets with local resources. SDGE only has 6% renewables of the required 20% that they will need by 2010.

In addition to the proposed green portfolios, the GEO report identifies 1695 megawatts of alternative ways to meet San Diego regional grid reliability needs.

With the release of this report, EHC is calling on the City of Chula Vista and the Port of San Diego to end speculation about future power plant development on the Bayfront and withdraw the option of a lease for a new large power plant on the bayfront.

Allen Shur, Business Agent for IBEW’s Local 569, pointed to the job-related benefits of greener energy choices. “Diversifying our energy sources now means that we have the opportunity to create new jobs by working to bring renewable energy manufacturing jobs to the region, by promoting the construction of high-performance and energy-efficient buildings, by improving the performance of our existing energy system, and by building and improving public infrastructure,” stated Shur.

The South Bay area is currently host to the existing SBPP, the future Otay Mesa Generating Station (a 561 Megawatt Baseload plant scheduled to go on-line in 2009), three peaker power plants, and several large transmission projects including the Southwest Powerlink, and the Otay Metro Loop. The South Bay region needs a South Bay Clean Energy Action Plan to achieve clean, cost-effective, and secure energy for the future.

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