A push to build two new natural gas power plants in the San Diego area has turned into a contentious forum on the value of California’s alternative-energy remedies.

San Diego Gas & Electric is seeking authorization from state utility regulators for the new power plants, along with a smaller retrofit in Escondido, asserting that local energy resources in the San Diego area could fall short under extraordinary circumstances.

Critics of the plan say the utility has underestimated reductions in electricity demand from energy-efficiency improvements, conservation programs and rooftop solar installations.

State mandates require that California utility customers invest hundreds of millions of dollars in those resources to help reduce electricity demand — and, with it, the need for new power plants.

SDG&E’s electricity demand forecast for the San Diego area is supported by the state’s main grid operator, which says the cost of the new plants outweighs the risk of outages.

“Overstating the need results in only marginal cost implications,” the California Independent System Operator cautioned regulators in written filings. “On the other hand, understating the need can mean the loss of (electricity to some customers), which puts the public safety and the economy in jeopardy.”

A broad coalition of environmentalists and ratepayer advocates disagrees with that approach and the numbers linked to it.

The new natural gas plants, they say, would tie San Diego residents and businesses to additional fossil fuel resources for another 20 years,
diverting customer resources from potential investments making the local grid more efficient, clean and responsive.

Those lining up against the utility’s request include the Sierra Club, the Natural Resources Defense Council and an alliance of six California environmental justice groups.

“We invested in this case for a reason, because we believe it is monumental,” said Nicole Capretz of the National City-based Environmental Health Coalition. “It’s going to decide our energy future for years.”

The case for the power plants hinges on dueling, highly technical estimates of local electricity demand, production and transmission capabilities. Both SDG&E and opponents of its plan claim to be upholding the state’s “loading order” law that says fossil-fuel burning plants, no matter how efficient, should only be considered after efforts to reduce electricity demand through an array of efficiency, conservation and rooftop solar programs funded by ratepayers.

Under the order, customer-funded energy efficiency programs, for example, are treated as a power resource in their own right, with a return-on-investment allowance for regulated utilities that run them.

In one instance, the state’s three investor-owned utility companies were awarded $60 million in earnings in December for a year of energy efficiency programing. SDG&E earned $13.7 million of the total.

But SDG&E’s power-plant application before the California Public Utilities Commission shuns optimistic forecasts for demand reductions that have yet to be explicitly funded. The conservative approach extends to energy efficiency, conservation and distributed generation like rooftop solar.

"Uncommitted energy efficiency savings do not have commission-approved programs or budgets and, therefore, do not have a high level of certainty," SDG&E told regulators.
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Scott Jackson · Top Commenter · NYU
Natural gas is so abundant in this country that it will be the most dominant fuel for at least the next century. Solar and wind are nice hobbies and may eventually be viable but we are decades away from that. Our immediate energy needs are more important. If the professional protestors will not allow us to build nuclear then natural gas becomes the best next option. (how do they think we are going to get the energy to power all these electric cars and high speed rail to nowhere?)
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Greg Howard No need to wait for the politicians, just buy one. They're for sale. You'd be shocked at how cheap it is to build a nationwide network of natural gas pumps, one per 280 miles or so of interstate highway, well under 100M. The effort needed to make viable an alternate fuel car can be done privately.
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