

# ATTACHMENT

For Item

#1

Wednesday,  
February 15, 2017

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CLERK OF THE BOARD

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February 7, 2017

Honorable Dianne Jacob  
Chair, San Diego County Board of Supervisors  
1600 Pacific Highway  
San Diego, CA 92101

Re: San Diego County Renewable Energy Plan

Dear Chair Jacob:

Sempra Services supports efforts by the County of San Diego, as well as by all cities within our region to reduce Greenhouse Gas Emissions ("GHGs" or "GHG"). We believe that a well-designed emissions reduction effort will identify strategies to reduce GHG emissions that are designed to maximize benefits and minimize costs, while helping reduce other local pollutants. As such, we applaud the County's Technical Advisory Committee (TAC) for its commitment to use of a Return on Investment (ROI) analysis in order to adopt GHG emission reduction Best Management Practices ("BMPs") for the County. It should be noted that the TAC met several times to discuss how best to proceed with the CREP and decided that the energy sector didn't merit further consideration as a prioritized BMP.

Unfortunately, the San Diego County Renewable Energy Plan ("CREP") has adopted a BMP under which it would pursue a Community Choice Aggregation ("CCA") feasibility study, without studying the feasibility of any other available alternative for achieving the same level of emission reductions (BMP #3). The CREP states that it has found this BMP to have a higher ROI than other available alternatives. Unfortunately, it is apparent that the CREP has neither considered all of the available alternatives nor conducted an actual ROI analysis of this BMP or any other option. In order to achieve the County's emission reduction goals with maximum benefits and minimum cost, Sempra Services respectfully recommends that the CREP refrain from adopting a BMP on renewable energy procurement until it has considered the ROI of all available alternatives, and done so on the basis of quantifiable metrics.

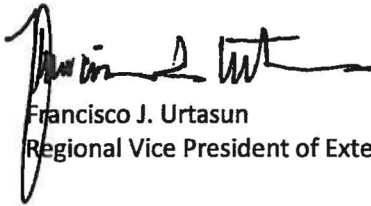
For example, one potential alternative to CCA would be implementation by the host utility of a default utility portfolio at the same level of renewables as would be offered by a CCA, developed on the basis of local public input. The benefits of such an option would be essentially the same as the benefits available under CCA, but a utility procurement option would impose no financial risk on the County. An ROI analysis that considered benefits and risk and also considered all available options would likely find such a utility procurement option to have a higher ROI than CCA. However, BMP #3 was adopted without any consideration of risk, and without consideration of all available alternatives for achieving these emission reductions.

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Similarly, because it did not look across industry sectors to identify BMPs with the highest overall ROI, the CREP did not consider the ROI of achieving an equivalent level of GHG emission reductions in the transportation sector. However, it is likely that the overall environmental benefits from such actions would be far greater by achieving GHG emission reductions in the transportation sector that would result from reductions in local pollutants. A properly structured ROI would consider these benefits.

The CREP points out that, ". . . it is important for the County to focus on the BMPs that will provide the highest return on investment, or the most benefit for the money spent." Sempra Services agrees. However, in order to fulfill this mission, the CREP should not adopt a BMP in the energy sector until it has conducted an actual ROI analysis on all available alternatives for achieving the goals associated with this BMP.

Sincerely,



Francisco J. Urtasun  
Regional Vice President of External Relations

cc:

Greg Cox, District 1 Supervisor  
Kristin Gaspar, District 3 Supervisor  
Ron Roberts, District 4 Supervisor  
Bill Horn, District 5 Supervisor  
Mark Wardlaw, Director, Planning & Development Services