

# Energizing The Otay-Metro Transmission Loop

Remarks of Commissioner Timothy Simon

July 20, 2007

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Thank you for inviting me to take part in this historic event. I am honored to help "Flip the Switch" for the Otay-Metro Powerloop.

As gas leads our state and nation in recognizing the importance of infrastructure investments, the Otay-Metro Powerloop is an important milestone for San Diego Gas and Electric and the State of California because it proves that our utilities can make significant progress towards building new transmission facilities in a timely and efficient manner. This project was built in less than 18 months and is approximately 20% under budget, saving ratepayers almost 39 million dollars. Our utilities need to employ the same efficiency and resourcefulness when it comes to building transmission to access renewable energy resources. Building new transmission lines is critical to meeting the state's 20% Renewable Portfolio Standard goal by 2010 and will be even more critical if we are to achieve 33% renewables by 2020. Interstate's national objective Devers Palo-Verde demonstrates the challenge we face.

As a Commissioner who believes in the importance of renewable energy as a strategy for economic development and carbon reduction, I will encourage and support good transmission projects, such as this one. Reviewing the record of the proceeding, I could not help but notice the leadership demonstrated by SDG&E, the city of San Diego, and community based organizations. Through the leadership that San Diego Gas and Electric has displayed with this project, I am more confident that we will be able to build enough transmission at the scale necessary to meet our RPS goals.

Thank you and congratulations.