



"Don Lockhart"  
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01/23/2006 11:32 AM

Please respond to  
<Donald.Lockhart@SacLAFCo.org>

To <Anja\_Kelsey@urscorp.com>

cc <peter.brundage@SacLAFCo.org>

bcc

Subject FW: Comments on Draft EIR for SMUD Extension of Services to Yolo

History:

☞ This message has been replied to and forwarded.

For the record.

Don Lockhart, AICP

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-----Original Message-----

From: Kevin Wolf [mailto:kwolf@windharvest.com]

Sent: Saturday, January 21, 2006 11:15 AM

To: Donald Lockhart

Cc: helen.thomson@yolocounty.org; mike.mcgowan@yolocounty.org;

mariko.yamada@yolocounty.org; duane.chamberlain@yolocounty.org;

frank.sieferman@yolocounty.org; Ruth Asmundson; Ted Puntillo; Sue Greenwald;

sasouza@sbcglobal.net; Don Saylor; Matt Rexroad;

christopherc@cityofwestsacramento.org

Subject: Comments on Draft EIR for SMUD Extension of Services to Yolo

Dear Sacramento LAFCO,

I spoke at your Davis public hearing where I was encouraged to put my comments in writing. As you finalize the EIR, please consider the following issues and questions.

1. At public comment opportunity, someone mentioned that lower electrical rates might lead to more growth in the new service area because the lower energy bills we will get with SMUD versus PG&E it will attract new home builders. Often political leaders find supporting new developments an easy means to meet short term government funding needs in comparison to raising taxes. One of the best ways to raise government income while reducing the need for government expenditures for poor people is to increase the number of jobs in an area. Any growth inducing impacts of lower rates might be offset by the increase in local jobs and business related taxes that will come with lower electrical bills. This in turn will reduce political pressure to support new development. Please examine this hypothesis if you examine the growth inducing claim.

2. PG&E has a terrible reputation locally for maintenance and planting of trees. Because they are a corporation with quarterly profit statements that affect their stock price and thus their shareholders who are their main constituents, they seem to spend money only to best impact their next profit statement. SMUD on the other hand doesn't worry about shareholders and top executives getting bonuses based on share price. Its practices towards tree maintenance and planting are significantly different than PG&E's in that they think long term and not just in how cheaply it can be done. As part of the LAFCO's environmental analysis, please evaluate the history of each company's practices and what a change in services for Yolo might do for property owners in this area. Impacts on shade and resulting air conditioning demand, customer satisfaction with the beauty of the trees that are trimmed for utility line protection, and similar factors should be evaluated. Also evaluate the percent of budget that each utility has historically spent on tree maintenance and planting. Past behavior is a good indication of future practices. I believe you will find that switching from PG&E to SMUD will likely make a major difference in how satisfied Yolo customers become with their new utilities tree maintenance and in the number of new trees that are planted by our utility.

3. A similar area of comparison and thus impacts on our regional environment and economy lies in how differently the two utilities spend money on energy conservation practices and programs. PG&E's expenditures in this area are primarily driven by PUC mandates. Please compare PG&E's practices in this area under PUC mandates and times when it wasn't under mandates. I believe you will find that when it is not forced to by the PUC, PG&E spends little in this area per rate payer. Then compare this to SMUD's expenditures over the same time period. Do this under both periods of strong PUC mandates and not. Again past practices are the best indication of future efforts. In the future, the PUC may not force PG&E to spend money in these area. What impacts would a return to traditional PG&E practices have on local energy conservation practices and programs? What would be the expected differences if SMUD extended services to Yolo? Does PG&E ever reduce its executives' pay or its shareholder dividends to increase spending in energy conservation? I doubt it.

4. Which utility will most likely provide a higher level of new renewable energy sources in their mix? Again, a comparison of past

practices is the best way to estimate this. SMUD owns a major wind resource in Solano County that could be expanded to meet an expected increase in renewable demand from new Yolo customers. How well has PG&E done in providing customers opportunities to purchase a renewable mix of power in comparison to SMUD? Given past practices, what types of energy sources will PG&E use in the future compared to SMUD to meet increasing demand? Include geothermal, conservation, wind, gas, nuclear, oil, coal and other sources in this analysis. Then evaluate the potential new sources on the air, water, and waste pollution each would cause. I believe that you will find that extending SMUD's service area will result in better environmental impacts in all these areas.

Thank you for considering these potential environmental and economic impacts in your environmental review of a possible extension of SMUD's service area to Yolo.

Sincerely,

Kevin Wolf  
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530-758-4211