

**Lupe Anguiano**

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**From:** "Dwight Sanders" [REDACTED]  
**To:** "Lupe Anguiano" [REDACTED]  
**Sent:** Saturday, June 23, 2007 5:55 PM  
**Subject:** Re: Semptra Pipeline from Baja CA (Retirement)

My time at the California State Lands Commission and in State service has come to a close. Please redirect, until further notice, all matters or inquiries to Ms. Marina Brand, Assistant Chief, Division of Environmental Planning and Management at [REDACTED] or by telephone at [REDACTED]. Thank you.  
Dwight E. Sanders

>>> languiano 06/23/07 17:54 >>>

Dear Mr. Dwight Sanders:

California State Lands Commission  
[REDACTED]  
[REDACTED]

Dear Mr. Sanders:

I hate to disturb your coming retirement, but we, California concerned citizens along with Pacific Environment networking groups, need your assistance. The pipeline Semptra is attempting to install, prior to California's assessment and investigation - "If CA needs LNG" - is very troubling. Semptra is putting a deaf ear to what Lt. Governor John Garamendi and State Controller John Chiang members of the State Lands Commission have publicly stated about LNG having to abide by CA safety, health and environment laws, rules and regulations. I trust all members of the State Lands Commission will reject the Final Environmental Impact Statement regarding the TransCanada/Semptra North Baja natural gas pipeline extension - for the following reasons:

a.. It will lead to more air pollution in Southern California. The natural gas moved through the pipeline will be coming from gas fields around the world which have a different composition than the domestic gas California is now using. By Semptra's own estimates, this "hotter gas" will lead to an additional 900 tons per year of additional nitrogen oxide (NOx) emissions in the South Coast Air Quality Management District. This is about the equivalent of nine 500 Megawatt combined cycle power plants.

a.. Semptra refuses to mitigate the "hot gas". This negative impact can be completely avoided if Semptra simply installs the necessary processing equipment at the Costa Azul LNG terminal to strip out the ethane and propane. This "hot gas" stripping technology is readily available,

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and was included in the LNG terminal design proposed by SES/Mitsubishi for Long Beach Harbor. There is a market for the stripped out components of the LNG. Propane is used everywhere in Baja California. The ethane could be burned in the power plant up the road in Rosarito.

a.. The health costs will be borne by Southern California residents. The additional emissions from Sempra's LNG project will be emitted throughout Southern California. The San Diego region especially will bear the burden of these extra emissions, as that area will be getting 100 percent of its natural gas, undiluted, from Sempra's LNG terminal. It is for that reason that the City of San Diego and the South Coast Air Quality Management District have, along with RACE, filed lawsuits against the California Public Utilities Commission over the "hot gas" issue.

a.. There is no urgency. This is a highly controversial project that deserves more scrutiny. There is no urgency to approve this project, as the first phase of the project already enables Sempra and TransCanada to import 1,000 million cubic feet per day of natural gas from the 1st phase of the Sempra LNG terminal. This is 1/3 of the Southern California average natural gas demand.

a.. It may be a "white elephant". Sempra has no near-term plans to construct the terminal expansion that would justify the pipeline expansion project. This is because Pacific Rim LNG supplies are getting tighter, and as they do, more expensive. LNG is now trading at \$12 per million Btu on long-term contracts, and once-reliable sources like Indonesia are cutting their LNG exports. The price of domestic natural gas in Southern California is currently around \$6 to \$7 per million Btu.

a.. Proposed legislation will provide robust evaluation for this and other projects. SB412, the "LNG Project Evaluation Act" will, if passed, provide a process by which this and other LNG-related projects are evaluated for their need, their environmental impact, and their impact on ratepayers. Should this pipeline expansion be approved, it will escape this scrutiny. Like other LNG projects, this pipeline expansion should be evaluated within the context of the state's energy portfolio.

Respectfully yours,

Lupe Anguiano

Volunteer, Protecting our Environment

Pacific Environment Network

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[REDACTED]

cc: Rory Cox, California Program Director, Pacific Environment.

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