

Some impacts of SMUD under review

By MONICA KRAUTH/Democrat staff Writer Daily Democrat

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In one of several public meetings last Tuesday, SLAFC received comments from Woodland's City Council on their Draft Environmental Impact Report.

The DEIR reviews a host of ecological concerns, ranging from air quality, construction and operational noise, conservation, renewable energy sources and how the annexation would address growth in the future.

The DEIR proposes that SMUD will collaborate with property owners, local jurisdictions and agencies for placement of the proposed transmission line and substation and will utilize the the Sacramento County General Plan for guidance.

The DEIR draft explains that less expensive and more reliable power will improve the economic development of the annexation area.

It argues that lower electric rates and improved service can induce growth, as it may attract new commercial and industrial

companies to locate to the annexation territory.

That aspect is a capsule of why the City Council seeks this annexation: lower electrical costs and more reliable service will improve our economic base and make our businesses more competitive.

"High rates can present an obstacle to growth. Energy costs can be a significant cost of doing business; reducing these rates by over 25 percent will give a business locating in the Annexation Territory a long-term competitive advantage over a business located in PG&E's service territory. A 2004 study of usiness trends by 'Area Development' lists energy availability," Vice Mayor Dave Flory states in a letter to Peter Brundage, executive officer of SLAFC.

In the letter, Flory recognizes the reputation SMUD has for energy efficiency and renewable energy sources.

He also explains that the City Council agrees with the proposed requirement of SMUD being responsible for monitoring reports to the SLAFCO.

PG&E and SMUD have argued over financial consequences, with SMUD predicting a \$400 million gain for its customers and PG&E forecasting \$900 million in losses. In the proposed plan new SMUD customers would cover the cost of the annexation with a surcharge on their bill although the district says it would keep the bill to two percent below PG&E prices.

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