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# MEMORANDUM

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**DATE:** February 15, 2008  
**TO:** City Council Members  
**FROM:** Karen Halladay, Budget and Public Policy Analyst and Sarah Church, Policy Analyst  
**RE:** Emigration-McClelland 138 kV Transmission Line Conversion Project (800 South)

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This memorandum pertains to the Emigration-McClelland 138 kV Line conversion project located on 800 South between 1100 East and 1900 East. The Council received a presentation from Rocky Mountain Power regarding underground power line bids and projected growth in energy demand at the Council meeting on February 5, 2008. There were many questions raised during this meeting that indicated the need for a continued dialog on the issues surrounding the Emigration-McClelland project. As such, the Rocky Mountain Power issue was assigned for follow up by the Budget/Finance subcommittee. The subcommittee convened two meetings to discuss this issue. At the first meeting on February 8<sup>th</sup>, it was determined that a conversation with Rocky Mountain Power was needed. This dialog with Rocky Mountain Power occurred on February 14<sup>th</sup>. It was a very valuable education on the Emigration-McClelland system, a discussion on alternative energy and alternative transmission systems, and a Rocky Mountain Power initiated alternative for the Emigration-McClelland upgrade. Notes of these meetings are attached.

## **RECOMMENDATIONS**

- It is cost prohibitive to bury the Emigration-McClelland transmission lines. It is recommended that the Council confirm in writing to Rocky Mountain Power, not to move forward with undergrounding the Emigration-McClelland transmission the lines as put forth in Rocky Mountain Power's bid proposal.
- It is recommended that the Council continue working with Rocky Mountain Power and the community to find a solution to the current proposed Emigration-McClelland transmission line conversion project.
- It is recommended that the Council consider whether future work on alternative energy solutions should reside with either the Planning or Environmental Subcommittees for further study and to provide policy direction. Rocky Mountain Power has expressed interest in working with the Council and community on these issues.

## **NEXT STEPS**

- The next Budget/Finance subcommittee meeting is currently scheduled for February 26<sup>th</sup> at 4:00PM.
- The Council may wish to consider planning a community meeting to include various community stakeholders that would pursue alternative energy solutions and policy goals. The Council may wish to discuss the desired outcome of such a meeting, the format such a meeting would take, and a final list of stakeholders. Alternately, this task could be assigned to the Council Subcommittee.

## **ATTACHMENTS**

1. February 8, 2008 Budget/Finance subcommittee meeting notes.
2. February 14, 2008 Budget/Finance subcommittee meeting notes.

# Subcommittee Meeting Notes

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**Subcommittee** – Budget and Finance Subcommittee

**Meeting Date** – February 8, 2008

**Attendees** – Carlton Christensen - Chair, Eric Jergensen and Soren Simonsen – Council Members, Max Peterson, Rick Graham, Brian Roberts, Cindy Gust-Jenson, Karen Halladay, Sarah Church, Jennifer Bruno

**Notes Prepared By** – Karen Halladay, Budget and Public Policy Analyst

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## Discussion Items:

- Precedent set if the Council decided to bury Emigration – McClelland power lines. Other areas in the City would also want underground power lines.
- Rocky Mountain Power (RMP) – March 1, 2008 – RMP would need City permits to proceed with replacing existing poles with new 138 vk poles. According to Max Peterson, similar projects have been issued permits in the past. Utility poles are exempt from standards in ordinances.
- Pole alignment – the subcommittee discussed the possibility of re-aligning the power line route. It may be more expensive to re-route the lines, but the City neighborhood impact may be lessened.
- Legal options – the City could add restrictions. However, it is highly probable that the Public Utility Commission would not uphold any of the restrictions because the restrictions can not impair RMP's ability to provide safe and adequate service. Also, the City's Franchise agreements should be reviewed and updated, where necessary.
- Conservation Efforts – A discussion was held about the future of power generation and alternatives.
  - On-site solar generation was discussed. Cost of conversion and storage of power are current barriers to this option. Per Cindy, it would cost \$18K to convert to solar power that would provide 60-70% of her household needs. This cost does not include battery storage. City ordinances in some zoning districts would have to be changed to allow solar units on rooftops.
  - Reduce demand
  - Provide incentives for use of new technologies
  - Explore the use of 0% or low-interest loans to get households to invest in on-site generation. Currently, the Energy Fund for the Future has approximately \$600K.

## Action Items:

- Meet with Council in Executive Session on Tuesday, February 12<sup>th</sup>, to explore any/all legal options, including litigation and zoning options.
- Meet with RMP – February 14, 2008 – 8:00 a.m. or 11:00 a.m.
  - Ask for a 12-18 month deferral while short and long term alternatives are explored.
- Subcommittee Meeting – February 26<sup>th</sup> at 4:00
  - Agenda Items:
    - Invite the community, including U of U, Utah Clean Energy, Terry Tippetts

## Subcommittee Meeting Notes

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**Subcommittee:** Budget and Finance Subcommittee

**Meeting Date:** February 14, 2008

**Attendees:** Carlton Christensen - Chair, Eric Jergensen (via Phone) and Soren Simonsen – Council Members; Max Peterson, Esther Hunter – Slat Lake City Staff; Karen Halladay, Sarah Church, Jennifer Bruno – Salt Lake City Council Staff; Alene

**Notes Prepared By:** Karen Halladay - Budget and Public Policy Analyst and Sarah Church – Policy Analyst

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### Discussion Items:

- RMP provided background information about their responsibilities, legal obligations, and process for providing current and future power needs of their customers.
- Residential customers are not currently billed at tiered rates, which would be based on market prices and varied demand throughout the day. However, commercial and industrial customers pay at the tiered rates.
- Currently, a reduction of 18MW to the Emigration-McClelland system would be required in order to continue the same service level on the existing system, with an additional three percent decrease every year. Conservation efforts would not be enough to cause a reduction of that size. Nor, would the reduction provide for RMP's known future power needs of its customers.
- To reduce energy needs by 18 MW, an investment of \$102 million for solar technology would be required.
- New homes today require far more power than 40 years ago. Specific details were shared by RMP. From 2001 to 2007, on the Emigration-McClelland system, the number of residential customers grew by .7%, but demand grew by 14.5%. Commercial customers grew by 9.5% with an increase in energy use of 21.4% growth during the same period.
- RMP provided the breakdown of increased usage by customer type during the 2001 – 2007 timeframe: Industrial: 9.6%, Commercial: 57.7%, and Residential: 32.7%.
- RMP determined that the current Emigration-McClelland transmission alignment and conversion proposal would impact fewer people than other alternative solutions proposed during their planning process.
- RMP proposed some possible solutions:
  - Bury the distribution lines (Normally, this line would be on the power line as a distribution underbuild line.) The cost of undergrounding distribution lines was estimated to be approximately \$1 Million/mile. Burying the distribution lines would provide additional height available for trees. RMP would be willing to partner with the City in providing and planting trees to mitigate the visual impact of the power lines.
  - RMP would work with property owners to find the best location for the power poles on their parcel, provided any RMP width, height, and easements restrictions are met.
- The Emigration-McClelland transmission line system serves many areas of the City, especially the NE Quadrant. It is a main "Electric Highway".
- This line has lost power several times over the past couple of years during the peak time – July and August – when demand has been high. Potential outages could occur in the future, which could prove problematic for hospitals served by this line.
- RMP's timeline for constructing the new power lines would not begin until September 2008 or February 2009. RMP is not comfortable in taking the power down during peak times. The construction would take 3 month for overhead lines. The timeline for undergrounding the distribution line is not known due to unknown variables that could occur during construction. RMP's current timeline for the Emigration-McClelland transmission line conversion would begin in September 2008.

**Action Items:**

- RMP will provide visuals of the proposed 138kV lines with the distribution lines undergrounded.
- The Subcommittee will formalize questions they would like RMP to address.
- The Subcommittee will report and make recommendations to Council on Tuesday, February 19, 2008 on their findings.
  - Cost prohibitive to bury the Emigration – McClelland power lines.
  - Continue working with RMP and the community to find short and long term energy solutions.
  - Ask the Council if future work on the RMP issue should be forwarded to either the Planning or Environmental Subcommittees for further study and to provide policy direction.
- Next Subcommittee Meeting – February 26<sup>th</sup> at 4:00PM.
- Begin to plan a meeting to include the Council Subcommittee, the community, representatives of the U of U, hospitals, State elected and government officials, Utah Clean Energy, Terry Tippetts (Spectrum Engineering), and Rocky Mountain Power to discuss alternative energy solutions.