#### FRIDAY'S PREP FOOTBALL RESULTS SPORTS

PALM SPRINGS 62 AT COACHELLA VALLEY 0

LA QUINTA 63 AT INDIO 0 AT DESERT HOT SPRINGS 35 DESERT MIRAGE 0

AT YUCCA VALLEY 31 XAVIER PREP 42 SHADOW HILLS 28 AT FIREBAUGH 7

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## Trail is finalist for \$17.4 million

Proposed parkway on short list for \$53M from Sentinel plant fund

SATURDAY, OCTOBER 6, 2012

By Blake Herzog and K Kaufmann

The Desert Sun

A proposed cross-valley bicycle, pedestrian and electric vehicle parkway could get \$17.4 million out of \$53 million in air quality improvement funds coming to the Coachella Valley.

The parkway project, submitted by the Coachella Valley Association of Governments, is among 20 groups on the short

list of potential grant recipients the South Coast Air Quality Management District released late Friday. The final decisions are expected in early November.

CVAG requested \$38 million from the pot of money, which came from fees paid by Competitive Power Ventures to offset pollution from its Sentinel natural gas peaker plant now under construction in North Palm Springs. Rancho Mirage Mayor Scott

Hines, a member of CVAG's Executive Committee and a vocal proponent of the project known as Parkway 1e11, said "now we're going to have to see if the numbers are going to pencil out, and I think that's going to be the next step."

Estimates for the total cost of

the pathway reach up to \$70 million, but Hines said that would be the "Cadillac plan" with a two-lane path and other features that could be scaled back. "We really need to look at a revised plan, certainly, but we also need to look at what the community wants. Not all of the cities were necessarily behind

Please see AQMD, A13

# Summit clarifies energy goals

Developers learn what's needed for projects

By K Kaufmann
The Desert Sun

Steve Decker came to the Southern California Energy Summit in Palm Springs looking for an update on the landscape for renewable projects in the region and, Friday afternoon he said, he got his money's worth.

"Every project links up with a multifaceted bunch of regulatory issues and problems," said Decker, CEO of Suncentrix LLC, a Santa Barbara renewable energy company that has been trying to develop renewable projects near the Salton Sea for two years. "From a developer's standpoint, I need to network. The only thing absent here are the money people."

With a Thursday keynote by Lt. Gov. Gavin Newsom, the two-day conference at the Palm Springs Convention Center covered just about everything a developer would need to know, from working with county and federal permitting officials to the critical issue of transmission.

But "is there an action plan coming out of it? No," said Tom Kirk, executive director of the Coachella

Please see SUMMIT, A13

#### **GREEN DESERT**

Stay on top of renewable energy trends in and outside the Coachella Valley by regularly checking out the Green Desert blog at greenenergy-.blogs.mydesert.com

#### CALIFORNIA FUEL SHORTAGE



Allen Sundermann, a maintenance employee at the Shell gas station at Gene Autry Trail and Ramon Road in Palm Springs, posts the new gas prices on Friday. WADE BYARS/THE DESERT SUN

### It's a race to the pump as gas supply runs dry

Stations across the state are closing as fuel prices continue to rise

By Michelle Mitchell and Daniel Simon

The Desert Sun

Soaring gasoline prices that led to long lines at the pump and gas station closures Friday are likely to continue

Wholesale gasoline prices have jumped \$1 a gallon in the past week, but average retail prices have increased only 30 cents, said Patrick DeHaan, senior petroleum analyst at GasBuddy.com.

"This is one of the easiest forecasts: Retail prices

are going to skyrocket," DeHaan said.
Californians woke up to a 20-cent increase in gas prices Friday, bringing the statewide average to \$4.49 a gallon — the highest price in the nation, even over Hawaii, according to AAA's Daily Fuel Gauge

By Friday afternoon, gas prices were as high as

\$4.99 a gallon in Indio, \$4.79 in Palm Desert and \$4.81 in Palm Springs, according to GasBuddy.com users. The highest price in California was at the Low-P station in California was at the Californ

tion in Calabasas — \$5.69 a gallon. Riverside By Friday evening, the Circle K along Highway 111 at Washington Street had County passing run out of two kinds of gasoline, accordhigher fuel ing to one motorist who emailed The costs on to Desert Sun. Workers at the station put local cities. up signs alerting drivers to the shortage. Read more Costco Wholesale Corp., the giant dison **B3**.

ore Costco Wholesale Corp., the giant discount store chain that sells large volumes of gas, decided to close some standard the one in La Ovinta

tions, including the one in La Quinta.

"Since it's going to be hard to get gas, they're distributing gas to only certain locations," said Stephanie Mendoza, an administrator at the La Quinta store. The Palm Desert Costco location remained

Please see GAS, A13

#### **ECONOMY**

#### Report buoys Obama camp

Jobless rate drop a political boost for president

**By Richard Wolf** USA Today

For President Obama, the first national unemployment rate to fall below 8 percent during his presidency couldn't come at a better time.

The Labor Department's announcement this morning that the economy gained 114,000 jobs in September and the obless rate ien irom 8.1 percent to 7.8 percent represents a big, if temporary, political boost for a president suddenly struggling to overcome a poor performance in the first nationally televised debate.

What's more, Obama can even boast that jobs numbers for July and August were better than previously announced. In August, for instance, 142,000 jobs were created, not the 96,000 announced last month.

"This month's jobs report shows the economy is finally beginning to build some momentum, and this news could not come at a better time for the president," said Thea Lee, deputy chief of staff at the AFL-CIO.

The White House was customarily cautious in heralding the new jobs figures.

"While there is more work that remains to be done, today's employment report provides further evidence that the U.S. economy is continuing to

Please see REPORT, A13

#### GOOD MORNING

Easy breezy







#### NSIDE TODAY'S PAPER



#### **COMING SUNDAY**

The 1950s was a transcendent time for the Agua Caliente Band of Cahuilla Indians. The Desert Sun delves into the tribe's transition.

#### SAFETY WARNING

Back-pain patients are being warned to watch for symptoms of meningitis. **A3** 

#### OFFICE SPACE

Valley's commercial sector recovering slowly. **B1** 



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#### Gas

Continued from A1

open Friday.

Frustrated drivers seeking Costco's cheaper gas found the pumps cordoned off with cones and caution tape.

"We are currently out of fuel and do not have a schedule yet for resupply," a paper sign stated.

While many customers took the closure news with a laugh, some sped off or yelled at the Costco employee stationed outside the pumps.

"This is crazy. Really crazy," regular Costco gas shopper Sharon Ehlrich of La Quinta said Friday. "Look at that line. I'm not the only one looking for gas."

Yousef Sobhy, who owns Yousef Shell at 1708 N. Palm Canyon Drive, also was concerned about supply.

"Right now, we'll really almost run out before they bring in the other load," Sobhy said. "There's no supply on the market"

Sobhy increased prices to \$4.69 — a 55 cent in-

crease over the week — and saw his business drop 25 percent because customers don't want to pay the high prices, he said.

"I've been in business for 30 years and never seen anything like this," he said. "It's just very scary, and we don't know where we're heading."

While gas prices have spiked around the country — the national average \$3.79 a gallon, the highest ever for this time of year — refinery outages and pipeline problems added woes in California.

Among the recent disruptions, an Aug. 6 fire at a Chevron Corp. refinery in Richmond left one of the region's largest refineries producing at a reduced capacity, and a Chevron pipeline that moves crude to Northern California was shut down.

There also was a power failure that affected an Exxon Mobil Corp. refinery in Torrance, but a company spokeswoman said Friday that the refinery has resumed normal operations and would be able to meet all of its contractual commitments.

California gasoline in-

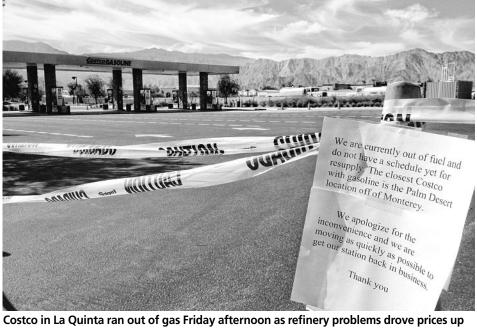
ventories are the lowest in more than 10 years—a situation made worse by the state's strict pollution limits that require a special blend of cleaner-burning gasoline during hot summer months.

The California Air Resources Board was reviewing a waiver filed by the California Independent Oil Marketers Association, which represents independent station operators, requesting that they be allowed to begin selling so-called winter blend gasoline before the scheduled Oct. 31 switch.

David Clegern, a spokesman for the air board, said there is no timeline for a decision. The California Energy Commission must review actual gas inventory to determine if there is really a shortage, he said.

State Sen. Juan Vargas, a San Diego Democrat whose district includes parts of the Coachella Valley, also called on Gov. Jerry Brown to allow for an early distribution of the winter blend.

"Consumers are seeing the biggest hit," Vargas said in a press release. "With gasoline prices



Costco in La Quinta ran out of gas Friday afternoon as refinery problems drove prices up and shuttered some gas stations. NICOLE C. BRAMBILA/THE DESERT SUN

surging over \$5 per gallon, most Californians are limiting their activities to only driving to work or to school. This is not just affecting gas stations but also the community at large."

The jump in wholesale prices can be particularly tough on independent gas stations that often pay more for their gas.

Indio Truck Štop raised

the cost of regular gas from \$4.29 Thursday to \$4.69 Friday, owner Dipak Patel said.

Some analysts think spiking prices nationally will begin to decline soon, but say California could see a longer spike given its unique fuel requirements.

"Nationally, I believe most prices will wobble to and fro for the next week or so, with an eventual slow but steady attrition in retail gas prices, particularly in the Midwest and Southeast," said Tom Kloza, chief oil analyst at Oil Price Information Service. "California is a wild card."

Desert Sun reporter Nicole Brambila and the Associated Press contributed to this story.



Dennis V. Arriola, president and COO of Southern California Gas Company speaks Friday. OMAR ORNELAS/THE DESERT SUN

#### **Summit**

Continued from A1

Valley Association of Governments, a conference sponsor. "This is about sharing information, examples."

Transmission and status of the still-closed San Onofre nuclear power plant were definitely the hot issues Friday, with a keynote by Angelina Galiteva, a member of the Board of Governors of the California Independent System Operator that runs the state's grid, followed by an equally high-powered panel of experts.

Southern California Edison on Thursday filed an application with the Nuclear Regulatory Commission to partially reopen one of the two units at San Onofre, which have both been closed since Jan. 31.

But even if the plant is reopened by next summer, it might only run at 70 percent capacity under Edison's proposal.

In the meantime, the state's ambitious green-house gas reduction and renewable energy goals are basically changing the state's electrical system in a relatively short time frame, and that means the ISO must be able to respond to the state's growing power needs even as its power mix undergoes radical change, Galiteva said.

"We see electric vehicles coming online; we see solar coming online; we see distributed generation coming online and it has a ripple effect. We've got to manage expectations," she said.

"We need flexibility to make sure renewable energy can come online quickly."

Right now, Galiteva said, the ISO has energy projects totaling more than 50,000 megawatts in line to get connected to the grid, with renewable projects accounting for 35,000 megawatts.

But, it can take six years or longer to get new transmission permitted and built, she said.

Case in point, the enormous solar and geothermal resources in Imperial Valley cannot be developed without a major expansion of transmission, said David Nahai, former head of the Los Angeles Department of Water and Power and now an environmental lawyer who consults with the Imperial Irrigation District.

Edison and IID are now cooperating on new transmission, Pathway 42, but the process has been hampered by technical formulas and differing financing models for public and private utilities, Nahai said.

"We need to have closer attention to issues of how we build transmission that bridges business models," he said. "We must dismantle barriers that have no application and are a detriment to the state."

K Kaufmann covers energy and green technology and health care for The Desert Sun and writes the Green Desert blog. She can be reached at k.kaufmann@thedesertsun .com or (760) 778-4622. Follow on Twitter:

@kkaufmann

#### **AQMD**

Continued from A1

this project."

The AQMD received 75 proposals that requested a total of more than \$375 million, the agency announced Friday.

Other grant recommendations range from \$4.8 million to VPI Enterprises to refurbish windmills to \$53,995 for St. Elizabeth's Food Pantry to buy compressed natural gas (CNG) vehicles for food delivery.

Two projects submitted by Desert Hot Springs, the valley city nearest to the Sentinel plant, were recommended to receive up to \$3 million. The city requested about \$10 million. "It doesn't sound like a lot. considering we're the city in closest proximity, Mayor Yvonne Parks said. "Of course, we're always grateful for whatever we get, but I'm just a little disappointed."

The city of Coachella fared better, with nods for a \$2.1 million proposal for a CNG station and solar carport and \$2.5 million to synchronize signals.

Mayor Eduardo Garcia said "we wanted to make sure we submitted projects that one, we could quantify the reduction in emissions, and two, meet the criteria that were set by the AQMD."

Despite multiple public record requests from The Desert Sun dating back to June, the district had refused to release any details about the agencies applying for the funds. Rep. Mary Bono Mack, R-Palm Springs, and Assemblyman V. Manuel Pérez, D-Coachella, also requested such information and were denied.

AQMD Executive Director Barry Wallerstein said the panel that made the recommendations was comprised of the agency's chief scientific officer, Chung Liu; its director of technology implementation, Fred Minissian; and the retired executive director of the California Air Pollution Control Officers Association, Mel Veldin.

The 13-member executive board decided earlier this year that all the mon-

#### IF YOU GO

What: AQMD Administrative Committee Meeting When: 10 a.m.-5 p.m. Oct. 16 Where: Coachella Valley Water District, 75-515 Hovley Lane East, Palm Desert.

ey would go to valley projects. Riverside County Supervisor John Benoit, who represents the valley, sits on the board.

The district's Administrative Committee will review the recommendations at an Oct. 16 meeting in Palm Desert. The panel has four members, all from outside the valley. Only one is from Riverside County, Riverside Mayor Ronald O. Loveridge. The other three are William A. Burke, a Los Angeles business and civ-

ic leader who founded the City of Los Angeles Marathon; Chino Mayor Dennis Yates; and San Bernardino County Supervisor Josie Gonzales. Wallerstein said the

panel may make its own recommendations before sending the proposals to the full AQMD board to consider at its Nov. 2 meeting.

The \$53 million fund

The \$53 million fund was created under a special law authored by Assemblyman Pérez to allow construction of CPV's power plant, now more than two-thirds complete.

CPV paid the money to the district for emissions credits to offset pollution from the 850-megawatt, natural gas-powered plant, which is scheduled to go online by August. Annually, it could pump into the air as much as 112,000 pounds of particulate matter, a cause of respiratory disease.

Under Pérez's law, 30

percent of the \$53 million must help projects within a six-mile radius of the plant; 30 percent in areas with at least 10 percent of residents living below the poverty line and with high levels of air quality particulates; and 40 percent anywhere in the four counties AQMD oversees.

The district board voted earlier this year to commit the full \$53 million to air quality projects in the valley. "What may get lost in all this is that, a year ago, we were concerned that only 30 percent of this money would be spent" here, CVAG Executive Director Tom Kirk said Friday.



#### Report

Continued from A1

heal from the wounds inflicted by the worst downturn since the Great Depression," said Alan Krueger, chairman of the Council of Economic Advisors.

The jobs numbers can make or break a presidential campaign — or, at least, a candidate's momentum. A stagnant unemployment rate in the 7.5 percent range helped doom Gerald Ford in 1976, Jimmy Carter in 1980 and George H.W. Bush in 1992.

Obama's numbers have been worse since his first full month in office, ranging from 8.1 percent to 10 percent. He is likely to say on the campaign trail that the latest report continues a pattern of job growth following his first year in office, a period that has seen more than 5 million private-sector jobs created.

The president will have one last chance to get further below 8 percent on Nov. 2, four days before the election, when figures for October and revisions for earlier

months are released. By then, however, most voters' minds will have been made up, in part based on their own employment or financial situation.

Douglas Holtz-Eakin, former Congressional Budget Office director and top economic adviser to John McCain's presidential campaign in 2008, said the 7.8 percent jobless rate is based on a "statistical anomaly" — an unusually high estimate of new jobs from the Labor Department's household survey.

"The White House will pounce on this," he said. "Being lucky is better than being good."