

**BEFORE THE
ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE
STATE OF CALIFORNIA**

DOCKET	
12-OIR-01	
DATE	<u>MAR 26 2012</u>
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In the Matter of:

Rulemaking to Consider Modification of :
Regulations Establishing a Greenhouse :
Gases Emission Performance Standard : Docket No. 12-OIR-1
For Baseload Generation of Publically :
Owned Electric Utilities :

COMMENTS OF THE IMPERIAL IRRIGATION DISTRICT

Stephen J. Keene, Esq.
Assistant Manager
Policy/Regulatory Affairs
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251

Dated: March 26, 2012

I. INTRODUCTION

Imperial Irrigation District (“IID”) appreciates the opportunity to file comments in this rulemaking to consider modifications to the regulations establishing a Greenhouse Gases Emission Performance Standard (“EPS”). IID is an irrigation district organized under the law of the State of California and, as such, is a political subdivision of the State of California. Established in 1911, IID is the nation’s largest irrigation district, providing both electric and irrigation services to customers across 6,000 square miles of California’s desert southwest in Imperial and Coachella Valleys. IID has approximately 145,000 electric retail customers with a peak load of approximately 1000 MWs. IID owns and operates an electric transmission grid in its service area and 480 megawatts of natural-gas fired generating capacity in California and Arizona. In addition, through the Southern California Public Power Authority (“SCPPA”), IID has a 104 MW ownership interest in Unit 3 of the San Juan Generating Station in New Mexico. At 50 percent, IID owns the largest percentage of the SCPPA share of San Juan Unit 3.

II. COMMENTS

IID supports the comments filed in this docket by SCPPA and incorporates by reference those comments and SCPPA’s answers to the nine questions set forth in the Commission’s Notice of Workshop. IID also supports SCPPA’s recommendation that the Commission revise the EPS regulation to include a section that provides for the regulations to sunset as of January 1, 2013.

IID has long been a strong proponent of the development of renewable resources in the Imperial Valley. The development of the vast renewable resources located in Imperial Valley will provide a much-needed economic boost to one of the most economically depressed regions of the Country. Imperial County unemployment has consistently hovered near the 30 percent

mark in recent years. Nearly one in four residents of the Imperial Valley live at or below the poverty level. The development of renewable generation in the Imperial Valley can provide much-needed, well-paying jobs to a region of California that desperately needs it. As such, IID has been a strong supporter of the State's renewable energy and greenhouse gas policies.

IID is currently on track to meet its RPS and Greenhouse Gas targets. IID is mindful, however, that it must strive to meet these requirements without increasing rates to the point that it imposes severe hardships upon our customers, many of whom already struggle to pay their electric bills.

IID owns the largest percentage of San Juan Generating Station among SCPPA members. The importance to IID of the energy provided by the San Juan cannot be understated. In the winter months San Juan provides nearly 50 percent of our base-load capacity. The relatively low-cost energy from San Juan allows IID to increase the percentage of renewable generation in its portfolio in a manner that does not result in unaffordable rates or rate shock for its customers.

As a member of SCPPA, IID works with the SCPPA Board of Directors to ensure that expenditures on San Juan meet the requirements of SB 1368. The SCPPA Board meetings that review and approve San Juan expenditures are fully noticed and open to the public, as are all IID Board meetings where San Juan expenditures are considered.

IID cannot emphasize enough the importance of its need for San Juan generation as it transitions to a larger portfolio of renewable energy. The reduction or loss of this relatively low-cost resource would threaten IID's ability to meet its RPS and GHG targets in a manner that will keep our rates affordable for our many low-income customers.

III. CONCLUSION

For the reasons set forth above, and in the SCLPPA comments filed in this docket, IID respectfully requests that the Commission revise its EPS regulations to provide for the sunset of these regulations as of January 1, 2013.

Respectfully submitted,

/s/ Stephen J Keene

Stephen J. Keene, Esq.
Assistant Manager Policy/Regulatory Affairs
P.O. Box 937
Imperial, CA 92251

Phone: 760-339-9550

Email: sjkeene@iid.com

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