

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

California Energy Commission

DOCKETED

12-OIR-1

TN # 67387

OCT 01 2012

In the Matter of:

Rulemaking to Consider Modification of:

Regulations Establishing a Greenhouse :

Gases Emission Performance Standard :

For Baseload Generation of Publically :

Owned Electric Utilities :

Docket No. 12-OIR-1

COMMENTS OF THE IMPERIAL IRRIGATION DISTRICT

**Carrie A. Downey, Esq.
Law Offices of Carrie Anne Downey
1313 Ynez Place
Coronado, CA 92118**

**Attorneys for
Imperial Irrigation District**

Dated: September 28, 2012

I. INTRODUCTION

Imperial Irrigation District (“IID”) appreciates the opportunity to file reply comments to the comments filed by the Natural Resources Defense Council (“NRDC”) and the Sierra Club (jointly, “NRDC /Sierra Club”) on July 27, 2012, regarding the Tentative Conclusions and Request for Additional Information (“Tentative Conclusions”) that was released on July 9, 2012 in the captioned proceeding. The Requests for Reply comments released by Lead Commissioner Weisenmiller on August 31, 2012 in this proceeding¹ sought replies to two proposals offered by NRDC/Sierra Club. The first to require Publicly Owned Utilities (“POUs”) to debate all expenditures on covered procurements under the Energy Commission’s Emission Performance Standard (“EPS”), and the second to greatly expand the number of facilities that would become covered procurements under EPS Regulations.

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.

¹ The Requests for Reply Comments provided that reply comments should be submitted by September 14, 2012. The deadline for submittal was extended until September 28, 2012 by Order Granting Extension of Time released by Lead Commissioner Weisenmiller on September 6, 2012.

IID's balancing authority encompasses the entirety of the Imperial Valley Development Focus Area² as proposed in the current California Desert Renewable Energy Conservation Plan³ (DRECP) planning efforts. Under the alternatives being considered during the DRECP development and environmental review process, somewhere between three thousand (3,000) and ninety six hundred (9,600) additional megawatts of intermittent renewable resources could be geographically located within IID's balancing authority depending on which alternative is determined likely and selected. Three thousand to nine thousand megawatts in a system with a peak load in the summer months of one thousand (1000) MW.

II. COMMENTS

IID supports the reply comments filed today in this docket by SCPPA and the California Municipal Utilities Association ("CMUA") and incorporates by reference those comments. IID wishes to provide further rationale for rejection of the unnecessary proposal to capture more facilities within the EPS limits in response to the second NRDC/Sierra Club proposal regarding a lower EPS. IID echoes SCPPA's concerns in response to the Request for Reply Comments on the issue of operating natural gas plants flexibly to respond to integrate renewable resources. IID

² California Desert Renewable Energy Conservation Plan Transmission Technical Group Meeting Presentation p 13(September 6, 2012) http://www.drecp.org/meetings/2012-09-05_ttg_meeting/2012-09-05_ttg_presentation.pdf

³"Senate Bill X1-2 (Simitian, Chapter 1, Statutes 2011), signed into law by the Governor on April 12, 2011, increased California's renewable energy portfolio standard to 33 percent by 2020, and Executive Order S-14-08 mandated the development of the DRECP, a major component of California's renewable energy planning efforts. The DRECP, when completed, is expected to further these objectives and accelerate the processing of renewable projects in the Mojave and Colorado deserts of California." http://www.drecp.org/meetings/2011-10-12_meeting/2011-10-12_Meeting_Notice.pdf

will likely be required to add additional natural gas generation resources to balance intermittent resources and protect system reliability in support of the state's renewable energy policies.

In addition to the unique position as a balancing authority accommodating exponentially increased amounts of intermittent renewable energy resources, all of IID's facilities are located in desert climates. They operate for greater than four months per year in temperatures exceeding 100 degrees Fahrenheit which make it nearly impossible to achieve the range of lower EPS numbers NRDC/Sierra Club urge on all facilities based on National operating averages. NRDC and Sierra Club have offered no evidence to suggest those averages are attainable in desert climates. IID's operational decisions about when and how to operate its generation facilities in response to intermittent resources and heat conditions should not be further burdened with unreasonable, if not impossible, limits of annual average emissions of CO₂/MWh.

As the Energy Commission summarized in its Final Statement of Reasons ("FSOR") adopting the EPS regulation, the existing limit of 1100 lbs. was determined after "a thorough rulemaking process that included dozens of informal meetings with many stakeholders, three lengthy workshops, and two hearings..."⁴ If that limit were to be changed, an equally vigorous deliberative process to include testing is required to establish the feasibility of a new limit in all operational environments. The second NRDC/Sierra Club proposal seeking to lower the EPS should also be rejected.

⁴ FSOR, p 1 (August 31, 2007)

III. CONCLUSION

NRDC/Sierra Club has introduced no evidence that the existing EPS regulations are not meeting their goals and should be revised. For this and the reasons set forth above, IID respectfully requests that the Commission reject NRDC/Sierra Club proposed changes as unnecessary and unlikely to produce any benefit that would outweigh the burdens to POUs in general and IID in particular.

Respectfully submitted,

/s/ Carrie A. Downey

Carrie A. Downey, Esq.
Law Offices of Carrie Anne Downey
1313 Ynez Place
Coronado, CA 92118
Telephone: (619) 522-2040
Facsimile: (619) 522-2043
Email: cadowney@cadowneylaw.com

Attorneys for:
IMPERIAL IRRIGATION DISTRICT

Dated: September 28, 2012