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MID Comments April 17, 2017 SB350 IRP Workshop

Additional submitted attachment is included below.



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May 1, 2017

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 17-IEPR-07
1516 Ninth Street
Sacramento, CA 95814-5512

Re: SB 350 Integrated Resource Planning Interagency Workshop, April 17, 2017
Docket Number: 17-IEPR-07

Modesto Irrigation District (MID) appreciates the opportunity to provide written comments in the California Energy Commission's (CEC) Integrated Resource Planning (IRP) proceeding. MID is a local irrigation district that was established under the irrigation district laws of the state of California in 1887. In 1923 MID began to independently provide electric service to the local customers within its electric service area. Today, MID has approximately 121,000 electric retail customers and a peak load of approximately 662 Megawatts. MID is controlled by a locally elected Board of Directors. The five Board Members carefully consider the impacts of their decisions on their constituents when adopting policies.

MID's comments take a high level approach in examining the implementation of the proposals that were discussed during the April 17, 2017 interagency workshop. Because MID is a local publicly owned utility, the District has taken a vernacular approach in the implementation and enforcement of regulatory measures that have been proposed by the agencies and appreciates the collective agencies' response to the concerns that sometimes a one size-fits-all approach does not work for the distinctively situated utilities across the state.

During its presentation, the California Air Resources Board (CARB) indicated that, while the statutory language directs CARB to establish greenhouse gas (GHG) reduction targets in coordination with the California Public Utilities Commission (CPUC) and the CEC, each of the agencies has its own process for determining how to best interpret the allocation and implementation of the statewide sector GHG reduction target down to individual load serving entities (LSEs) and publicly owned utility (POU) planning targets. MID appreciates these comments. Further, MID agrees with the summary point that the agencies will coordinate to avoid duplication and streamline the process for agencies and stakeholders.

In the spirit of avoiding such duplication, MID believes that the individual planning targets developed for each LSE and POU need to be directly proportional to the statewide target CARB develops. Keeping this process simple will avoid creating inefficiencies by duplicating the efforts of other state programs. With the exception of the individual LSE or POU 2030 utility GHG reduction target, it is therefore MID's opinion that any guidelines developed by the CEC in this process should not establish compliance metrics for use in what could be perceived as an additional enforcement tool for POU's by the CEC.

When a status report is presented that encompasses the individual status or IRP summary of each utility, the CEC should not allow for public comment. Each POU governing board will have already approved its submitted IRP, and this approval process includes the opportunity for public input. A second public input process would be unnecessarily duplicative.

MID does not recommend placing a high value on the established baseline that will be used to compare forward looking GHG reduction targets. Planning targets provide the utilities forward-looking guidance, but are still subject to uncertainty and a current GHG profile IRP snapshot provides the best metric for progress. A baseline metric thus becomes meaningless if the metric is not tied to the most current snapshot of a utility's GHG reduction profile. In addition, the POUs already have to incorporate required investments in zero-carbon emitting resources as mandated through the state's Renewable Portfolio Standard Program and also account for costs of compliance with the state's GHG programs. Comparing the data that will already be available through other submittals to the CEC to the 2030 GHG reduction target range provides a clear trajectory path. The submittal of the IRP information then details the path towards reaching that 2030 GHG reduction target.

In addition, because POUs are situated uniquely across the state, it is important for the CEC to examine the situation of each LSE and POU individually based on the IRP information that is submitted by each utility. Such information will already have considered local impacts and balanced the benefits and burdens on ratepayers in order to determine just and reasonable rates. Each of the board members is connected with the communities that they represent and such considerations are already taken into account in the IRP analysis and planning activities of the POU planning process.

Because each utility is situated differently and planning targets will be used only for planning guidance, MID also supports the use of a flexible mechanism – such as a range of the 2030 GHG reduction target as contemplated by the CEC – in developing its individual targets for POUs. This target range should allow for variances, recognizing that any assumptions included in estimates of future emissions cannot be expected to give exact results.

Finally, MID endorses the comments that have been submitted by the California Municipal Utility Association on behalf of the state's POUs. Again, MID appreciates the opportunity to submit comments in this process and looks forward to participating in this process further as the CEC works to establish individual targets.

Sincerely



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