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TPPA
Tuolumne Public Power Agency
2 South Green Street
Sonora, CA 95370
Phone (209) 533-5511



June 15, 2009

California Energy Commission
Attn: EECBG Program
1516 Ninth Street, MS-42
Sacramento, CA 95814

Dear Mr. Sugar:

Tuolumne Public Power Agency (TPPA) is a JPA comprised of 27 local public agencies including the County of Tuolumne and the City of Sonora. TPPA purchases federal power and arranges for delivery of that power on behalf of its members. Public agencies in Tuolumne and Calaveras Counties were granted an entitlement to federal power by the 1962 U.S. Congress. This entitlement was granted in part to mitigate the negative impacts that New Melones Project had on the counties of origin such as the loss of taxable land and loss of water resources. The entitlement allows us to deliver power to our members at attractive rates.

We are concerned that we maybe disadvantaged under the EECBG Program if the CEC defines cost-effective efficiency projects based upon simple paybacks. We would encourage the CEC instead to use an energy savings approach, which would not disadvantage us and other municipal utilities, which often have lower power rates than those cities and counties in IOU service territories. One possible approach the CEC could take to remedy this situation is to apply a formula-based allocation for cities and counties served by municipal utilities and a competitive grant program in the IOU service territories.

TPPA has its own loan and grant program for energy conservation projects, which could be used to leverage the grant funds obtained.

Sincerely,

Kathleen K Rustrum
TPPA Deputy Administrator

cc: TPPA Member Agencies