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STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of:)
)
Developing Regulations and Guidelines) Docket No. 11-RPS-01
for the 33 percent Renewables Portfolio)
Standard)

COMMENTS OF
IMPERIAL IRRIGATION DISTRICT
ON
33% RENEWABLE PORTFOLIO STANDARD PUBLICLY OWNED ELECTRIC UTILITY REGULATIONS
CONCEPT PAPER

The Imperial Irrigation District (IID) provides these comments to the California Energy Commission (CEC) on the August 26, 2011 *“33 Percent Renewables Portfolio Standard Publicly Owned Electric Utility Regulations Concept Paper”* (Concept Paper).

IID attended the Southern California meeting with CEC staff to review how Publicly Owned Utilities (POU) and the CEC could work together effectively to meet the requirements of ABX1 (2). IID appreciates the efforts of CEC Staff to meet with POUs at two locations at the onset of this process to determine the roles each entity would play in implementing ABX1 (2) and avoid unnecessary repetition. IID came away from the Southern California meeting with the understanding that the CEC and the POUs were in agreement that each role is unique and all would recognize the limits within existing law and as defined in ABX1 (2). IID appreciates CEC staff preparing the Concept Paper to allow further dialogue as all of our public entities reach agreement on how to implement the requirements on electric utilities to meet the 33 percent renewable portfolio standard (RPS) in the most cost efficient manner for the taxpayers and POU ratepayers.

IID agrees with and adopts the California Municipal Utilities Association (CMUA) comments on the Concept Paper filed today, September 12, 2011, regarding the relevant scope of jurisdiction for both the CEC and the POU governing boards, and which entity has the authority to make specific eligibility determinations regarding POU resources. To assist in the dialogue started at the workshops, IID provides additional input and clarification on two issues under the third bullet in the Concept Paper, *Classification of Procurement Products*.

I. Introduction

IID is an irrigation district organized under the California Water Code, serving over 140,000 households and businesses in the Imperial and Riverside Counties in a 6,471 square mile area. IID is in a desert environment and has the potential for thousands of MWs of geothermal, solar and wind renewable resources. As one of the California balancing authorities, IID has planned and upgraded its system to ensure the needs of our ratepayers are met and renewable resources within its system are accessible and deliverable to entities outside the IID at no cost to IID ratepayers. IID has unique experience and concerns regarding the development of RPS requirements beyond its own procurement of renewable resources.

II. IID Comments on the Concept Paper

A. Under Subpart (a) Portfolio content categories, (ii) Portfolio Content Category 2, *Firmed and Shaped Incremental Energy*, (1) Definitions (e) location of incremental resource, the Concept Paper proffers two options, that the replacement energy must or may or may not be within the same balancing authority.

Under SBX1 (2) there is no basis in §399.16(b) (2) to require replacement energy to come from the same balancing authority. This requirement would run counter to the environmental review process for future renewable energy development in the California Desert Renewable Energy Conservation Plan (CADRECP) planning process at the CEC. CADRECP is attempting to expedite renewable development by analyzing as part of the nation's largest habitat plan, covering five California counties and millions of acres of federal and private land, the impacts from new renewable generation and the transmission necessary to encourage development of resources in those areas best suited for renewable development. Requiring replacement energy to come from the same balancing authority could preclude or significantly delay renewable development in the very locations the CADRECP wishes to promote development. IID has an abundance of renewable resources and is on the steering committee within the CADRECP process. As the process is completed, the location and impact of all future renewable generation and required transmission facilities throughout California will be better understood. The attempt to require replacement energy to come from the same balancing authority could result in more costly renewable energy being built, with no statutory support, and negative effects on the environment just to qualify under this interpretation. Consequently IID believes the only choice consistent with statutory interpretation is the second under (i) options, replacement energy "May or may not be within the same balancing authority."

B. The phrase "count in full" in §399.16(d) should not be subject to limiting restrictions. It is a mechanism to reward efforts by utilities that obtained renewable resources prior to being required to do so in the manner prescribed in SBX1 (2). By the plain meaning of the words "count in full," it is clear that the statute provides a flexible compliance mechanism permitting, but not requiring, a regulated entity to exempt grandfathered resources from the portfolio content

categories of section 399.16(b). The output of renewable resources that meet the requirements of section 399.16(d) may, at the option of the regulated entity, either be omitted from or included in the portfolio content categories that are specified in section 399.16(b). Insofar as the output of renewable energy resources that meet the requirements of section 399.16(d) counts fully toward meeting a utility's RPS obligation under SB 2 (1X), the section 399.16(d) output may, at the option of the utility, be subtracted from or included in the portion of the utility's renewable energy resources that is covered by the section 399.16(b) portfolio content categories and subject to the section 399.16(c) percentage limitations.

III. Conclusion

IID appreciates the efforts of CEC staff to work with the POUs to determine the appropriate agency to address the requirements in SBX1 (2). IID, as well as other POUs have been implementing RPS programs for their agencies and ratepayers for many years. IID looks forward to continuing the collaboration with the CEC through the Southern California Public Power Association (SCPPA) and CMUA in the coming months as our agencies develop programs that fulfill the RPS obligations for the CEC and the POU governing boards. If there are any questions on these comments please do not hesitate to contact me at (619) 522-2040.

September 12, 2011

Respectfully submitted,

/s/ Carrie A. Downey

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