

MID MERCED IRRIGATION DISTRICT

March 29, 2012

Executive Director Robert Oglesby
California Energy Commission
1516 Ninth Street, MS-29
Sacramento, CA 95814-5512

DOCKET

11-RPS-01

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Response to proposed Rulemaking Draft Regulations 33 Percent Renewable Portfolio Standards

Dear Mr. Oglesby:

This letter is being sent to you as Merced Irrigation District's (MID) comments on the draft proposed rules that implement RPS standards adopted in SBX1-2.

In years prior to the adoption of SBX1-2, MID had been proactive in its procurement of RPS-compliant energy and RECs when many other local public agencies were not. Being proactive, MID entered into and still holds long term contracts for wind energy. MID also entered into contracts for small hydroelectric facilities that fall under the 30-megawatt definition outlined in California Public Utilities Code Section 399.11-399.31. MID expects that these existing contracts, as well as MID's own existing 10-megawatt McSwain hydroelectric power project would be counted toward its RPS compliance under section 3202 (a) and subsequent subsections in the CEC's Rulemaking regulations.

Section 3206 (3)(A) and (B) of the RPS Draft Regulations address Cost Limitations of RPS compliance. Subsection A states that the governing board of a local POU "may adopt rules permitting a POU to establish a cost limitation on the procurement expenditures used to comply with its RPS procurement requirements." This same language along with Subsection (B), addressing disproportionate rate impacts, should replace Subsection 2(A) allowing a POU's governing board to place limitations on cost and rate impacts of compliance with RPS.

Finally, MID requests that section 3204 be amended to include hydroelectric projects meeting a POU's local electric demand. If the facility has recently been relicensed by the Federal Energy Regulatory Commission, and is in compliance with the terms and conditions included in that license, then such facility, regardless of megawatt output, should be considered in compliance with RPS standards and rules.

Sincerely,



John Sweigard
General Manager