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Re: Draft 2013 IEPR: Docket No. 13-IEP-1A

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The Imperial Irrigation District ("IID") appreciates the opportunity to provide input into the Draft Lead Commissioner Report, 2013 Integrated Energy Policy Report ("Draft Report"). IID commends the Lead Commissioner and California Energy Commission ("Commission") staff for the significant efforts put forward in drafting this report. IID's limited comments address certain energy topics identified in the Draft Report, including Energy Efficiency and the Strategic Transmission Investment Plan.

Energy Efficiency

As the Commission approaches key initiatives in the coming months, IID would like to take the opportunity to update the Commission on developments to augment energy efficiency programs.

In September, IID staff proposed modifications to its Energy Efficiency Programs Portfolio and Marketing and Communications Twelve Month Plan to improve program participation and better utilize Public Benefit Funds. Approval was received by IID's Energy Consumer Advisory Committee for modifications to the Direct Install, Custom Energy Solutions, Low Income HVAC Replacement, Learning Energy Awareness and Weatherization programs. Specifically the following modifications were approved:

• Small Business Direct Install Program

 This program offers a number of energy efficiency retrofits for local small business customers to receive up to \$2,500 in retrofits, which also helps local businesses control energy costs through energy assessment and education.

Custom Energy Solutions Incentive Increase

This program increases the current Custom Energy Solutions incentive for both medium and large commercial customers from \$0.09 to \$0.18 per kilowatt-hour with a budgetary impact of \$500,000. The proposal brings parity for commercial and residential customers; medium and large-sized businesses, as employers, help drive the local economy.

• LEAP Program

 Additional funding of \$1.5 million for the Learning Energy Awareness Program, which provides beneficial energy efficiency upgrades to Imperial and Coachella Valley school districts.

IID believes that these program changes will greatly assist it in achieving its energy efficiency targets. In addition, IID is in the process of developing a program specific to non-profit organizations that provide services to youth and the elderly, seeking to further increase participation and efficiencies.

Strategic Transmission Investment Plan and Geothermal Resources

On May 21, 2013, IID provided comments to the Transmission Planning and Permitting Issues workshop. We will not reiterate those comments here, but draw the Commission's attention to the lessons learned section and the need to create greater visibility into the renewable procurement process, including an examination of geothermal resources, which will greatly aid in the efficient and environmentally responsible build-out of the transmission system in the Imperial Valley.

IID takes note of the Commission's comments on page 118 of the Draft Report, indicating that a new transmission line from west of Blythe to near Palm Springs "could provide another opportunity for investigation of a transmission corridor by the Energy Commission." IID agrees that additional transmission is likely necessary and is in the process of finalizing the permitting of transmission that will increase the export of renewables from the Imperial Valley, specifically the area around the Salton Sea with the most renewable potential. IID is also exploring other transmission alternatives that would enable delivery and integration of renewable resources in these areas throughout the Western region.

IID urges the Commission to bring greater focus to solve issues surrounding development of geothermal resources. It is well known that the areas surrounding the Salton Sea are some of the highest quality geothermal resources in the continental United States. These baseload renewable resources provide operational benefits in comparison with intermittent alternatives, and may fit well into resource portfolios as other baseload resources retire due to age, lack of economic viability, or environmental restrictions such as Once Through Cooling. Coupled with the right transmission upgrades, Salton Sea geothermal can also provide reliability benefits to Southern California to help replace capacity, energy, and grid support in the wake of the retirement of the San Onofre Nuclear Generating Station.

The Commission has already convened a workshop on appropriately accounting for Station Service, which is a significant issue for some types of geothermal development. Additional Commission focus to better understand how geothermal resources are

evaluated in the procurement process, and to raise awareness on other potential obstacles to geothermal development, is warranted.

In summary, IID appreciates the opportunity to comment on the Draft Report, and looks forward to continued efforts to advance the development of renewable resources in the Imperial Valley.

Respectfully Submitted,

/s/

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