

May 12, 2004

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Docket No. 03-IEP-01 and 03-RPS-1078

Dear Gentlemen:

Valley Electric Association is unable to attend the Committee Workshop on Accelerated Renewable Energy Development scheduled for May 4, 2004. Valley however, does wish to submit comments for the record, specifically related to the RPS as it applies to publicly owned electric utilities.

By way of background, Valley is a small distribution electric cooperative providing primarily retail electric service to its consumer-members in southwest Nevada and a neighboring portion of California. The California portion of Valley's consumers represents approximately 32 consumers, 8 residential and 24 irrigation out of Valley's 16,568 total consumers. Valley obtains the wholesale power supply for these consumers through a FERC authorized energy exchange agreement with SCE. SCE provides electric service to Valley at the 55 kV Oasis meter point in Fish Lake Valley. Valley, in exchange provides SCE with wholesale service for its customers at Sandy Valley, Hidden Hills, Stewart Valley, Lathrop Wells, Death Valley and Scotty's Castle. The annual deliveries are reconciled with energy deliveries by either party to balance the exchange.

The application of the RPS to Valley in this instance is not feasible for Valley to implement. Valley does not have access to power deliveries to our California area consumers. We neither acquire nor deliver energy to the Oasis metering point, but are solely dependent upon SCE for energy deliveries. Valley provides electric service from the Oasis Metering Point to 335 consumers in Fish Lake Valley so that identifying the energy usage of the 32 California consumers would be an on-going tracking effort for those individual consumers and would be prohibitively non-cost-effective to accomplish.

RPS for this limited instance is both impractical and cost-prohibitive and Valley would request exemption from participating in the RPS for California. Nevada also has an RPS standard for utilities subject to the jurisdiction of the Nevada Public Utilities Commission. By Nevada regulations, publicly owned utilities in Nevada are exempt from the RPS standards.

April 26, 2004

Sincerely,

Louis R. Holveck
General Manager