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California Energy Commission
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Docket No. 11-RPS-01 and Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

The Imperial Irrigation District ("IID") respectfully submits these comments to the California Energy Commission (Commission) with respect to its Draft Seventh Edition of the *Renewables Portfolio Standard Eligibility Guidebook* (Draft Eligibility Guidebook). IID's Comments are limited to the definition of station service proposed in the Guidebook. IID also supports the broader comments filed by the California Municipal Utilities Association and the Southern California Public Power Authority.

Imperial Valley is rich in renewable resources. The Renewable Energy Transmission Initiative identified over 8500 MW of renewable resource potential in Renewable Energy Zones covering the Imperial Valley. Of that total, almost 1500 MW is made up of geothermal resources.

Geothermal development is critical for California's clean energy future. Geothermal resources represent a non-intermittent renewable energy source, and do not contribute to the ramping constraints that have now become a critical market and reliability issue, as illustrated by the California Independent System Operator Corporation's (CAISO) "duck" curve, which predicts the possibility of morning or afternoon three-hour ramps of approximately 15,000 MWs under certain conditions within the CAISO Balancing Authority. Geothermal resources are baseload resources that do not contribute to increased incremental system ramping needs. Ramping and integration costs increase the total cost of achievement of the renewable portfolio standard mandate.

Geothermal development is also critical to the Imperial Valley. Development of geothermal resources not only bring near-term and substantial economic benefit in the form of construction jobs, but also the long-term skilled positions to support ongoing plant operations that are vital to an area with long-standing economic woes.

IID joins many stakeholders to urge the Commission to reconsider it definition of "Station Service" in the Guidebook. IID urges the Commission to adopt the definition established by the Federal Energy Regulatory Commission in several cases. In the alternative, IID suggests that the Commission provide greater opportunity than this truncated comment period to resolve an issue that has been the subject to considerable debate and is treated disparately across regulatory jurisdictions.

Currently, the Draft Eligibility Guidebook states that "Electricity used by an electrical generation facility for station service is not eligible for the RPS and should not result in the creation of renewable energy credits (RECs) that are used for RPS compliance."[1] The Staff Draft Guidebook Glossary of Terms defines Station Service as "the electric supply for the ancillary equipment used to operate a generating station or substation." The Staff Draft Guidebook concludes that the proposed treatment is consistent with the WREGIS Operating Rules.

IID urges the Commission to modify its proposed definition of Station Service. First, WREGIS is not a regulatory body and its Operating Rules should not govern eligibility rules in California. Individual states retain the jurisdiction to determine what is, and is not, an eligible renewable resource. Individual state rules, including the portfolio content categories adopted in California and contained in SB 2X already create variability in eligibility definitions across state boundaries. With respect to Station Service, WREGIS documents point to variability in the rules regarding Station Service adopted by the State of Nevada.[2]

Given the short turn around time for these comments, IID joins other stakeholders and urges the CEC adopt the FERC definition for Station Service. Applying the FERC definition will ensure consistent application of a defined term across state and federal regulatory bodies, which is important for sound policy development, and particularly here because FERC has ruled that the terms and conditions of bundled energy and REC sales are subject to its jurisdiction under the Federal Power Act.[3] In a line of cases, FERC has excluded from station service such items as fuel delivery loads such as compressor station loads for pipeline natural gas, gathering system loads for landfill gas, collection, transportation, chipping and processing of biomass fuel, pumping loads for delivery of water to fuel a geothermal field; and pumping loads to extract and transport geothermal fluids from a geothermal field.

Reconciling differences between the WREGIS Operating Rules and the Guidebook should not be difficult, and is in any event contemplated in the Staff Draft Guidelines.[4] As noted above, WREGIS is already accommodating a different treatment for station service adopted by Nevada.

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[1] See *Section III: Facility Requirements*, at (A) (2), at 43.
[2] May 2012 Program Administrator Advice Letter to WREGIS Regarding Station Service.
[3] *WSPP, Inc.,* 139 FERC 61, 061 (2012).
[4] *See, e.g.,* Section V(B)(4).

If the Commission has lingering concerns regarding adoption of the FERC definition, IID urges the Commission to allow further time to consider the proper definition of Station Service.

California must adopt rules to further encourage the development of needed, baseload, non-intermittent renewable resources like geothermal, and modification of the definition of Station Service is an important step in that direction.

Sincerely,

Carl D. Stills
Interim Energy Manager
IMPERIAL IRRIGATION DISTRICT