



MERCED IRRIGATION DISTRICT

September 8, 2017

Mr. John Mathis
California Energy Commission
1516 Ninth Street MS-20
Sacramento, CA 95814

Dear Mr. Mathias:

RE: Energy Storage Compliance Report pursuant to California Public Utilities Code Section 9506

Pursuant to section 2836 (b) (1) of the California Public Utilities Code ("PUCODE") the Merced Irrigation District ("MID") Board of Directors ("Board") initiated the process of evaluating the viability of energy storage systems and to determine appropriate procurement targets. On September 23, 2014 the MID Board approved Resolution 2014-39 which stated that mainly due to its all requirements energy contract with Turlock Irrigation District ("TID") that energy storage systems were not cost effective at that time and therefore elected not to establish procurement targets. MID's power supply contract with TID which was to end in 2017 has been renegotiated to expire in 2028 and therefore the conditions stated in MID's Resolution 2014-39 will continue until 2028 unless other factors come into play.

Since the MID Board did not establish energy storage systems procurement targets, MID has not procured or attempted to procure energy storage systems, however, MID will continue to evaluate the feasibility of storage systems and should they become cost effective they will be procured.

Feel free to contact me if you have questions and/or wish to discuss further. I can be reached at (209) 354-2811 or email douchley@mercedid.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Don A. Ouchley", written over a horizontal line.

Don A. Ouchley
Deputy General Manager Energy Resources
Merced Irrigation District

cc: Richard Dragonajtys, Juan Sandoval, Vanessa Lara, Chris Cuttone