



14619 Hamlin St. · Van Nuys, California 91411 • Phone 818.988.8690 · Fax 818.988.8303

November 19th, 2009

Mr. Gary Collard
Energy Section, Stationary Source Division
California Resources Board
P.O. Box 2815
Sacramento, CA 95812-2815

RE: Comment for RES Concept Outline

Dear Mr. Collard:

This is a joint response to your request for feedback on the RES Concept Outline from California's three rural electric cooperatives (Anza Electric Cooperative, Plumas-Sierra Rural Electric Cooperative and Surprise Valley Electrification Corporation) sent to you by their association, Golden State Power Cooperative.

Golden State Power Cooperative is providing these comments on a voluntary basis to assist you in your program design efforts. However, we do not believe that the governor's office or any legislative or regulatory body has ever directed the Air Resources Board (ARB) or any other state agency to impose a renewable energy standard on rural electric cooperatives. Executive Order S-21-09 states:

“The ARB shall work with the PUC and the CEC to ensure that a regulation adopted under authority of AB 32 to encourage the creation and use of renewable energy sources shall build upon the RPS Program and shall regulate all **California load serving entities, including investor-owned utilities, publically-owned utilities, direct access providers and community choice aggregators.**

We do not interpret S-21-09 to give ARB the authority to include cooperatives as a regulated entity for the RES program. As small utilities serving rural areas, cooperatives already face higher infrastructure costs and other obstacles as they strive to provide affordable, reliable electric service to their members. As non-profit, member-owned utilities governed by their locally-elected boards of directors, they must adhere to federal Rural Utility Service (RUS) guidelines.

In response to your request for feedback regarding a potential small utility exemption, we would like to state our strong support for creating a 500 GWh threshold to exempt smaller utilities. We believe the added expenses and administrative burden associated with RES compliance for all types of utilities with less than 500 GWh of annual energy sales would disproportionately impact those utilities and outweigh the potential benefits to the state. In the event that Rural Electric Cooperatives are included as a regulated entity in the RES program, we request that Rural Electric Cooperatives also be included as a type of utility that would qualify for the small utility exemption.

Thank you for this opportunity to comment.

Sincerely,

Aaron C. Jones, Manager
Golden State Power Cooperative