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California State Senate

SENATOR
SAM AANESTAD
FOURTH SENATORIAL DISTRICT



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November 18, 2009

David Mehl, Manager
Stationary Source Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: Trinity Public Utilities District

I am writing to comment on the California Air Resources Control Board (CARB) Staff's Proposed Concept Outline for the Renewable Energy Standard (RES). I am writing specifically to comment on the Proposed Concept Outline as it pertains to Trinity Public Utilities District (TPUD), which is located in my Senate District. I am very familiar with TPUD, which is a unique consumer owned electric utility serving most of Trinity County.

By way of background, in 1955 the US Congress provided the residents of Trinity County with mitigation to offset some of the devastation to Trinity County caused by the construction of the Trinity River Division of the federal Central Valley Project (CVP). This mitigation is required by federal law in Section 4 of the Trinity River Division Act of August 12, 1955 (Public Law 84-386). This mitigation was and continues to be in the form of access to large hydroelectric power "for use in Trinity County." The power is clean, abundant and very inexpensive. The Trinity River Division Act provides Trinity County, through TPUD, with the right to more power than it will ever be able to consume. Significantly, TPUD is prohibited from selling excess power on the open market.

Application of the RES to TPUD would interfere with the mitigation provided to Trinity County under federal law because it would compel TPUD to purchase renewable power, as defined in the RES, even though all of TPUD's load requirements will always be met by its hydropower supply. Moreover, TPUD, which serves approximately 6500 customers and has a very small staff, would have to purchase that power at costs significantly more than what it pays for hydropower from the Trinity River Division of the CVP. TPUD estimates that a 33% RES mandate would translate to a TPUD retail rate increase of more than 60%, and would quite possibly more than double my constituents' electric rates.

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Due to these unique circumstances, which do not exist for any other public utility district in California, the Legislature chose to exempt TPUD from the Renewable Portfolio Standard (RPS) requirements in SB 14 (Simitian), which was vetoed by the Governor for reasons not related to the TPUD exemption. The language in SB 14 exempted TPUD in Public Utilities Code Section 399.30(g):

A public utility district that receives all of its electricity pursuant to a preference right adopted and authorized by the United States Congress pursuant to Section 4 of the Trinity River Division Act of August 12, 1955 (Public Law 84-386) shall be in compliance with the renewable energy procurement requirements of this article.

On behalf of TPUD and my constituents who are served by TPUD, I request that TPUD be exempt from any rules and regulations promulgated by CARB for purposes of implementing the RES.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Aanestad". The signature is fluid and cursive, with the first name "Sam" being particularly prominent.

Sam Aanestad
Senator, 4th District

cc: Mary Nichols, Chair, California Air Resources Board
Rick Coleman, General Manager, Trinity Public Utilities District