January 20, 2017

Brieanne Aguila

Manager, Climate Change Reporting Section

California Air Resources Board

1001 “I” Street

Sacramento, CA 95814

*RE: TID Comments on the December 21, 2016 Amendments to the MRR*

Dear Ms. Aguila

Turlock Irrigation District (“TID” provides the following comments on the December 20, 2016 *Proposed Amendments to the Mandatory Reporting Regulation for Greenhouse Gas Emissions* (“Proposed Amendments”).

**TID Background**

TID was organized as the first Irrigation District in California on June 6, 1887 and is beginning its 130th year of operation. TID currently serves a retail electric customer base of just over 100,000 customers and provides irrigation water to over 5,800 growers and nearly 150,000 acres of farmland. Of the 11 communities that TID serves, 7 are classified as Disadvantaged.

TID’s mission is to provide stable, reliable, and affordable water and power to its customer owners, be good stewards of our resources, and provide a high level of customer satisfaction.

TID is one of only eight Balancing Authorities in California, tasked with balancing retail demand, generation, and wholesale purchases and sales while providing adequate reserve capacity to maintain reliability.

TID has a long history of environmental stewardship, beginning when the District was formed, as we acquired some of the oldest water rights on the Tuolumne River. TID has a great track record of caring for natural resources. TID is the majority owner and project manager of the Don Pedro Dam and powerhouse, providing irrigation water and 203 MW or approximately 400,000 megawatt-hours of emissions free energy to our customers, while providing flood control and environmental benefits for the region.

TID is currently well positioned to meet the 33% by 2020 Renewable Portfolio Standard (RPS), having procured 136 MW of wind in 2009 in advance of the RPS mandate on POU’s, as well as recently completing a 20 year purchase power agreement for 54 MW of newly constructed in-state utility scale solar, which should satisfy TID RPS eligible procurement through 2024. TID has a diverse portfolio of RPS eligible resources, including wind, small hydro, geothermal, and solar. TID is actively monitoring the renewable energy markets, and will be layering in another piece of RPS eligible generation at the appropriate time.

TID remains committed to working towards the State’s climate and clean energy goals, and offer the following comments on the recently released Draft Cap & Trade Regulations. TID endorses the comments from other Utility Orgs, namely the JUG, CMUA, SCPPA, etc…..

**COMMENTS SUMMARY**

1. TID Supports the retention of the REC Serial Number reporting requirement in Section 95111(b)(1)(m)(3), but believes that the reporting requirement should be enforced as material misstatement.
2. The ARB should not amend Section 95111(b)(2)(E) to impose a meter data comparison obligation on grandfathered resources.

**DISCUSSION**

1. **The ARB Should Enforce the REC Serial Number Reporting Requirement.**

The proposed classification of REC serial number reporting as a nonconformance will undermine California ratepayers’ investments in out of state renewables by sending a signal to the market place that “null power” can be purchased and delivered at a zero emissions factor even though the importing entity did not purchase the RECs, which include all “green attributes”. The term Green Attributes is defined in the WREGIS Operating Rules to include the emissions attributes of renewable resources. By not recognizing green attributes in the MRR and instead allowing null power to be reported as zero emissions power, the ARB has created a fundamental inconsistency between the RPS and the Cap-and-Trade. The ARB’s regulations allow null power to be reported as zero emissions power, effectively transferring one of the key benefits of California ratepayers’ renewable energy benefits to market participants that acquire the null power. The ARB should not send this market signal. Instead, the ARB should require that null power be reported as unspecified.

1. **The ARB Should Not Amend Section 95111(b)(2)(E) to Impose a Meter Data Comparison Obligation on Grandfathered Resources.**

The proposed revisions to the MRR would remove grandfathered resources from the list of sources that are not subject to a lesser-of meter data comparison. 2013 MRR Rulemaking documents do not explicitly address the rationale for the original exclusion of the grandfathered resources, but it is our understanding from discussions with ARB staff at the time that the exclusion was intended to create consistency with the RPS program.

TID currently meets the majority of its RPS obligations through the Tuolumne Wind Project (“TWP”), which is an owned, grandfathered resource. TWP is both directly delivered and firmed and shaped. We are concerned that a lesser of analysis would create an inconsistency with the RPS verification requirements for this resource. CEC Regulations only require a meter data/e-tag comparison for PCC-1 resources (i.e., resources that were procured after 2010). Grandfathered resources are not subject to a meter data/e-tag comparison.[[1]](#footnote-1) We are concerned that by requiring a meter data comparison, there will be inconsistencies in the amount of renewable generation that counts towards our RPS obligation and the amount of renewable generation that is counted as unspecified in the MRR. We are also concerned that it is not clear in the explicit language of the MRR that the RPS adjustment can be claimed when there is a reclassification of a specified import to an unspecified import. We therefore request that the ARB retain the exclusion of grandfathered resources from the meter data comparison requirement.

TID appreciates the opportunity to submit these comments.

Respectfully Submitted,

/s/ /s/

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Ken R. Nold Dan B Severson

Turlock Irrigation District Turlock Irrigation District

1. See description of grandfathered resources at 20 Cal. Code Reg. Sec 3202(a); See also, CEC Draft RPS Verification Methodology Report, pp. 17-20, available at: <http://docketpublic.energy.ca.gov/PublicDocuments/11-RPS-01/TN215142_20170103T150023_RPS_Verification_Method_Report.pdf>); See also, RPS Eligibility Guidebook Section VI, pp. 64-67, which does not set forth an e-tag requirement for grandfathered resources, available at: <http://www.energy.ca.gov/2015publications/CEC-300-2015-001/CEC-300-2015-001-ED8-CMF.pdf>. [↑](#footnote-ref-1)