



# CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

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DAVID L. MODISETTE, EXECUTIVE DIRECTOR

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August 17, 2012

The California Municipal Utilities Association (“CMUA”) respectfully submits these comments to the Department of Energy (“DOE”) in conjunction with the DOE/Western Area Power Administration (“Western”) Defining the Future Workshop.

CMUA is a statewide organization of local public agencies in California that provide water, gas and electricity service to California consumers. CMUA membership includes electric distribution systems and other public agencies directly involved in the electricity industry and water utilities that take their water deliveries from federal facilities. In total, public agencies provide electricity to approximately 25-30 percent of the population in California. Numerous CMUA members take power and transmission service from Western, both in the Sierra Nevada Region, and Desert Southwest Region. CMUA members would be greatly impacted by significant changes to how federal generation and transmission facilities are operated. CMUA expressly supports both the comments of its members submitted in this initiative and the comments of the American Public Power Association.

It is important to state at the outset that the goals of grid reliability and security, infrastructure modernization, renewable resource development and integration and demand-side program development are goals shared by CMUA members. In California, we are pursuing many of the goals outlined in the Chu Memo through state statutory mandates, including:

- Reduction of GHG emissions to 1990 levels by 2020, pursuant to California law;
- Achieve 33% renewable resources by 2020, subject to sanctions for non-performance;
- Implement aggressive solar rooftop requirements;
- Implement Feed-in-Tariffs for eligible resources, and
- Aggressive, multi-billion dollar energy efficiency programs, including smart grid deployment, pursuant to an overall statutory requirement to favor energy efficiency over supply resources.

CMUA members rely upon the long-term statutory and contractual obligations of Western to its customers, to achieve the very goals that are espoused in the Chu Memo. CMUA members have relied, and continue to rely, upon Western contractual commitments that were developed as part of formal rate cases,

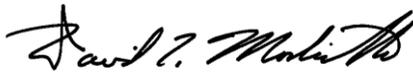
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marketing plans adopted pursuant to the Administrative Procedure Act, and mandates contained in federal statute.

Shifting federal generation dispatch or changing transmission utilization in order to integrate renewables is of great concern to CMUA members because it will modify power production and water deliveries, likely to the detriment of CMUA members. Such proposals shift the value of the federal facilities away from preference customers specified by law, to variable energy resources. It is difficult to envision how this can occur without detrimental effects on CMUA members, and without an affirmative shift in the statutory directives to Western, which direction must come from Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Modisette". The signature is fluid and cursive, with a prominent initial "D" and "M".

David L. Modisette  
Executive Director