California Energy Commission
DOCKETED
12-EPIC-1
TN # 66702
AUG 16 2012

COMMENTS OF THE CALIFORNIA FARM BUREAU FEDERATION REGARDING THE FIRST TRIENNIAL INVESTMENT PLAN FOR THE ELECTRIC PROGRAM INVESTMENT CHARGE PROGRAM

The California Farm Bureau Federation ("Farm Bureau") appreciates the opportunity to provide comments as the California Energy Commission commences a new phase of funding electricity related investments. Although there are a number of areas that will be of interest to the over 74,000 farmer and rancher members of Farm Bureau, these comments address only two items. Since this comment period begins the discussion over how investments in developing programs might address current challenges, Farm Bureau raises two that are of particular interest to the agricultural sector in the areas of the Investment Plan related to transmission and distribution issues, crossing over to clean energy generation: 1) programs and innovations needed to facilitate conversion of stationary internal combustion equipment to electricity and 2) advancing innovative methods that minimize the conflicts between transmission maintenance requirements and agricultural properties as explained in more detail below.

The conversion of internal combustion equipment benefited from past California Public Utilities Commission programming. In 2005, the CPUC authorized a new rate schedule on a limited enrollment basis for agricultural water pumping customers that relied on stationary internal combustion equipment (primarily diesel-powered pumps) for irrigation pumping purposes (CPUC Decision 05-06-016). The combination of a new discounted rate schedule and additional line extension allowance provided incentives to agricultural customers to convert stationary internal combustion equipment to electric

power. One element of the program referred to as Ag-ICE (Agricultural and Pumping Internal Combustion Engine Conversion Program) was established to assure nonparticipating ratepayers were not negatively affected. However, the program has long since been discontinued. While there was some focus on the greenhouse gas (GHG) benefits related to the conversion in the past program, it predated AB 32 and the resultant increased focus on GHG for the electric system. Real and quantifiable reductions in GHG result from conversion to electricity for the equipment under such a program.

It may be difficult to envision, but there are still portions of the state where needed electric service is a significant distance from the point of interconnection to the utilities' distribution system. Because line extensions are priced on a per foot basis, conversion to electricity may be prohibitively costly where a lengthy line extension is required. It was that component – line extension – that did and continues to create significant barriers to converting from existing internal combustion engines to electricity for many users.

The opportunity for CEC as it considers avenues of funding is two-fold. There may be a portion of funds that warrant grants to offset costs of interconnection. But, just as importantly, as changes to the grid are being considered and innovative methods of construction and installation are assessed, opportunities to drive down costs should be optimized. Cost reductions, of course, benefit overall utility system development, but would also help in minimizing barriers to convert to electricity where internal combustion engines must currently be relied upon because the reach to the distribution grid still

imposes limitations. Such programs that help reduce greenhouse gases are likely to become increasingly beneficial.

There may also be benefits to a focus on transmission lines related to vegetation management activities to address reliability of the system. Lines impact many agricultural operations throughout California, as landowners sustain untold miles of easements for them. With requirements for clearances around the lines coming under ever-increasing scrutiny in the past few years, less flexibility is allowed and as a result has affected agricultural operations subject to the easements. Orchard owners are particularly impacted, since timing and the manner of pruning trees to maintain necessary clearances create short-term and long-term impacts to the crop and the overall health of the trees.

New techniques or equipment related to the lines could reduce the conflicts between maintaining lines and agricultural activities that have co-existed for decades. Minimization of inconsistencies between maintaining the lines and agricultural operations would also impact future transmission planning. Any new transmission proposals are likely to be scrutinized with the expectation that the co-existence of lines with ongoing activities could continue to erode. As improvements to the grid are explored, changes that minimize the invasiveness of maintenance could provide cost benefits to electric users and landowners who have been forced to co-exist with the lines. What form that may take is unknown for purposes of these comments, but such factors may be relevant considerations as projects are reviewed.

Farm Bureau recognizes the extensive review of opportunities and projects that the CEC will be undertaking over the next few months in finalizing proposed projects for funding and in subsequent years once initial funding is completed. As proposals arise, substantial benefit can be gained from the types of changes discussed in these comments, as renewed focus occurs on inventive ways to deliver benefits through the state in implementation of the EPIC programs.

Respectfully submitted,

Dated: August 16, 2012

KAREN NORENE MILLS, Attorney
California Farm Bureau Federation
2300 River Plaza Dr., Sacramento, CA 95833
Phone: (916) 561-5655/Fax: (916) 561-5691
E-mail: kmills@cfbf.com