

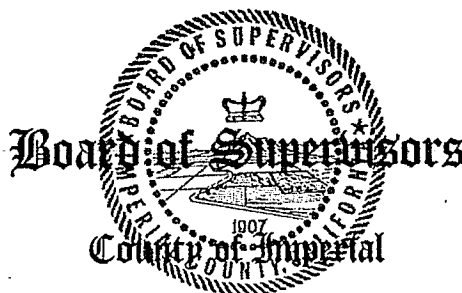
DISTRICT 1
JOHN RENISON

DISTRICT 2
JACK TERRAZAS

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MICHAEL W. KELLEY

DISTRICT 4
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April 19, 2011

California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

Re: Deliverability of Resource Adequacy Capacity on Interties

Ladies and Gentlemen:

We are writing today to ask for your immediate help in resolving a critical issue pertaining to the transmission of renewable energy from Imperial County into the rest of the State of California.

Our understanding is that the California Independent System Operator (CAISO), operating under policies developed by the California Public Utilities Commission (CPUC), is currently unable to grant a Resource Adequacy (RA) designation to those projects being developed in Imperial County that are connecting to the Imperial Irrigation District (IID) transmission grid. Because of this lack of Resource Adequacy, many projects in Imperial County are unable to compete effectively for Power Purchase Agreements with California utilities. This inability is having significant negative impacts on renewable energy project development in our county. In order for these projects to begin construction this year, we must find a way to allow them to qualify for participation in the RPS procurement process.

Imperial County currently generates and exports approximately 600 megawatts of geothermal power to customers in California. It is conservatively estimated that there are an additional 2000 megawatts of local geothermal energy potential. In addition, there are at least 20 solar projects being proposed here which would produce well over 2000 megawatts, with prospects for thousands of megawatts of additional development. This industry will result in billions of dollars in new investment in Imperial County, and create thousands of new green-collar jobs in an area with the highest unemployment rates in the nation. However, this untold future potential is in serious jeopardy unless we take quick and decisive action to address these regulatory roadblocks.

The Imperial County Board of Supervisors hereby requests that the CAISO continues to work on resolving this matter in a timely fashion, in order to allow projects being developed here to compete effectively in the RPS market. We have reviewed the Straw Proposal put forward by your staff and find it to be a workable basis to address this problem, provided that the RA value for IID exports is established at the soonest possible date. Your immediate attention and action will be greatly appreciated.

Sincerely,

Jesus L. Terrazas, Chairman
Board of Supervisors