

RESOLUTION NO. 2011-82
ADOPTING MODESTO IRRIGATION DISTRICT'S RENEWABLE
ENERGY RESOURCES ENFORCEMENT PROGRAM TO
COMPLY WITH PUBLIC UTILITIES CODE SECTION 399.30 (e)

WHEREAS, by Resolution No. 2003-245, the Board of Directors of the Modesto Irrigation District adopted a Renewable Portfolio Standard (RPS) in an effort to meet 20 percent of its retail energy sales with renewable resources by 2017, consistent with Senate Bill (SB1078); and

WHEREAS, in April 2011, governor Brown signed SBX1-2 into law, establishing a statewide target of securing 33 percent of retail electric sales from eligible renewable energy resources; and

WHEREAS, SBX1-2 requires that the State's publicly owned utilities adopt a program of enforcement relating to renewable procurement; and

WHEREAS, staff has prepared an Enforcement Program for consideration by the Board of Directors, attached hereto as Attachment A, Renewable Energy Resources Enforcement Program, in compliance with Public Utilities Code Section 399.30 (e); and

WHEREAS, staff plans to develop for Board consideration, a Renewable Energy Resources Procurement Plan to comply with the application provisions of SBX1-2.

NOW, therefore, BE IT RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby approve the Renewable Energy Resources Enforcement Program attached to this Resolution as Attachment A, in compliance with Public Utilities Code Section 399.30 (e), and further directs staff to update the Modesto Irrigation District Renewable Portfolio Standard and Renewable Energy Resources Procurement Plan, both for the Board's consideration at a later date.

Moved by Director Blom, seconded by Director Wild, that the foregoing resolution be adopted.

The following vote was had:

Ayes: Directors Blom, Byrd, Van Groningen, Warda and Wild

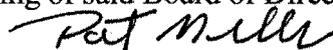
Noes: Directors None

Absent: Directors None

The President declared the resolution adopted.

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I, Pat Mills, Secretary of the Board of Directors of the MODESTO IRRIGATION DISTRICT, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors held the 13th day of December 2011.


Secretary of the Board of Directors
of the Modesto Irrigation District

ATTACHMENT A

RENEWABLE ENERGY RESOURCES ENFORCEMENT PROGRAM

This Renewable Energy Resources Enforcement Program (Enforcement Program) for Modesto Irrigation District (District) is to comply with Public Utilities Code section 399.30 (e).

Renewable Energy Resources Procurement Plan

The District shall develop a Renewable Energy Resources Procurement Plan (Renewable Procurement Plan). The Renewable Procurement Plan should at a minimum include the following elements.

Section 1: Definitions

All references to Public Resources Code (PRC) and Public Utilities Code (PUC) sections are to those sections as amended by the provisions of SBX1-2, signed by the Governor on April 12, 2011 and made effective as of December 10, 2011 by operation of law. The definitions set forth in PRC § 25741 and PUC § 399.12 are incorporated herein. The following definitions shall also apply to this Enforcement Program:

Renewable Energy Resources Procurement Plan (Renewable Procurement Plan): The plan adopted by the District pursuant to PUC § 399.30.

Energy Commission: The State Energy Resources Conservation and Development Commission.

Section 2: Procurement Targets

The Renewable Procurement Plan will include the following renewable energy procurement goals as a percentage of retail sales, pursuant to PUC § 399.30(b) and (c)(1)-(2):

Compliance Period One: January 1, 2011 through December 31, 2013, inclusive.

- An average of 20% eligible renewable energy resource procurement for the period starting with the later of January 1, 2011, or the effective date of PUC § 399.30, through December 31, 2013.

Compliance Period Two: January 1, 2014 through December 31, 2016, inclusive.

- By December 31, 2016: 25% renewable energy eligible resource procurement.

Compliance Period Three: January 1, 2017 through December 31, 2020, inclusive.

- By December 31, 2020: 33% renewable energy eligible resource procurement.

The quantities of eligible renewable energy resources to be procured for Compliance Periods Two and Three will reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of eligible renewable energy resources achieves the Compliance Period Two and Three goals. (See PUC § 399.30(c)(2).)

Post 2020: The District will endeavor to procure not less than 33 percent of retail sales of electricity products from eligible renewable energy resources in all subsequent years. (See PUC § 399.30(c)(2).)

Section 3: Procurement Content Categories

The General Manager or his/her duly authorized designee shall assign all eligible renewable energy resources procured by the District to the appropriate procurement content category, in accordance with the provisions of PUC § 399.30(c)(3), consistent with PUC § 399.16.

The General Manager or his/her duly authorized designee shall count all resources meeting the requirements of PUC § 399.16(d) in full towards District procurement requirements. The General Manager or his/her duly authorized designee shall have the flexibility to apply these grandfathered resources to procurement content categories as appropriate.

Section 4: Deviation from Procurement Content Category Requirements

The District may waive or delay timely compliance with a requirement set forth in the Renewable Procurement Plan pursuant to PUC § 399.30(d)(2) to the extent the District demonstrates that it cannot comply with such requirements because of conditions beyond the control of the District due to any one of the conditions set forth in PUC § 399.15(b)(5).

Section 5: Banking Rules

The District may adopt measures permitting the District to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period pursuant to PUC § 399.30(d)(1), provided that the quantity of excess procurement is determined in the same manner as allowed pursuant to PUC § 399.13(a)(4)(B).

Section 6: Cost Limitations

The District may establish a limitation on the procurement expenditures for all RPS-eligible resources used to comply with the Renewable Procurement Plan. In establishing such limit, the District shall rely on elements consistent with PUC § 399.30(d)(3), PUC § 399.15(c) and with pertinent policies and rules established by the District.

Section 7: Procurement Plan Limitations and Relief

In endeavoring to procure adequate supplies of renewable energy to meet the goals set forth in Renewable Procurement Plan, the District shall at all times maintain system reliability and maintain average procurement costs for retail electric sales in accordance with the budget and retail electric rates approved by the Board of Directors. The District retains all authority and flexibility granted under PUC § 399.30 and other relevant authorities in meeting its obligations under PUC § 399.30 and implementing its Renewable Procurement Plan.

Enforcement

The District shall annually post a public notice whenever the District will deliberate in public on the Renewable Procurement Plan. The District shall also provide data annually to the Energy Commission and report annually to its customers and the Energy Commission. (See PUC § 399.30 (f)(1) and (2).)

The Board of Directors directs the General Manager or his/her duly authorized designee to inform the Board of Directors at a duly noticed public meeting in the event that the District will not meet the renewable energy resource procurement requirements set forth in the District's Renewable Procurement Plan. The General Manager or his/her duly authorized designee shall also notify the Energy Commission of such noncompliance, in the manner and schedule established by the Energy Commission pursuant to regulations developed by the Energy Commission in accordance with PUC § 399.30(n). As soon as reasonably practicable following his/her

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informing the Board of Directors, the General Manager or his/her duly authorized designee shall develop and present to the Board a plan to bring the District into compliance.