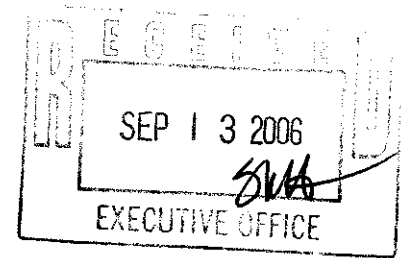




316(b)  
Once Through Cooling  
Deadline: 9/15/06 5pm



September 12, 2006

Tam Doduc, Chair  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

Dear Chairperson Doduc:

The Agricultural Energy Consumers Association (AECA) hereby submits comments regarding the proposed State 316(b) policy that was outlined in the Scoping Document issued June 13, 2006 and discussed at the recent scoping meeting in Sacramento on July 31, 2006. AECA represents the collective energy interests of over 40,000 family farms and agribusinesses, the state's leading agricultural associations, as well as numerous agricultural water districts across the state.

Over the last few years the agricultural industry has suffered from dramatically rising electricity prices, as well as local reliability problems. This proposed action by the State Board is ultimately unnecessary, and will only exacerbate the energy problems facing our industry.

Coastal generating facilities are currently working to comply with the federal rules which implement Clean Water Act 316 (b). This rule requires significant reductions in impacts to aquatic life and generating companies are investing significant resources to comply with the federal rule. Equally important, this federal rule allows important flexibility through a range of reduction, recognizing the differences between the various generating locations.

**It is important to note that these investments are ultimately borne by the ratepayers of electricity utilities.**

The proposal by the State Water Resources Control Board requires that generating stations meet the maximum reduction percentages required by the federal rule. It also removes other elements of flexibility in the federal rule, which were designed to allow compliance across a broad range of different circumstances. Without this flexibility, individual plants may be forced to limit cooling water intake thus reducing power production or, be faced with expensive retrofits of intake structures that may not be cost effective.

These expenses will generally be borne by electric customers in the form of higher generation prices. If the generating facility determines that these costs cannot be recovered, they may choose to close down the generation facility altogether. Neither of these outcomes is in the best interest of our state and our growing need for reliable and affordable electricity generation.

It is not clear why a policy to implement this Federal rule must be adopted by the State Board. If one must be adopted, it should be designed so that every plant can comply at full power output levels. Anything short of that endangers the reliability of the grid during periods of peak demand.

The California agricultural industry is already burdened by local electricity reliability concerns and the highest energy costs in the nation. The actions proposed by the State Board will only serve to weaken reliability and further increase energy costs. We urge the State Board to either reject this proposal or conduct more extensive hearings as to the negative impacts on California's electricity ratepayers.

Sincerely,



Michael Boccadoro  
Executive Director

cc: Members of the State Water Resources Control Board  
Celeste Cantu, Executive Director