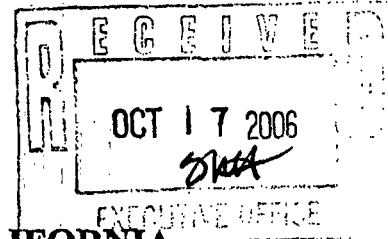


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**AGRICULTURAL COUNCIL OF CALIFORNIA**  
REPRESENTING FARMER COOPERATIVES SINCE 1919

September 29, 2006

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

Dear Madam Chair:

The Agricultural Council of California is pleased to submit comments regarding the proposed State 316(b) policy that was outlined in the Scoping Document issued June 13, 2006 and discussed at the scoping meeting in Sacramento on July 31, 2006. The Agricultural Council represents this state's farmer-owned cooperatives which process and market many of this state's agricultural commodities. The Agricultural Council believes this proposal, as written, could have serious negative effects on electric system reliability and the cost of electricity.

The proposal by the State Water Resources Control Board requires that generating stations meet the maximum reduction percentages required by the federal rule. Our reading of the proposed policy appears to remove 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. If expenses cannot be recovered, the retrofits may not be installed forcing plants to be abandoned. In any case, the cost of electricity to our processing cooperatives and their farmer-members will only increase at a time when increased costs are already straining the farm sector's global competitiveness.

It is not clear why a policy to implement this federal rule must be adopted by the State Board. If one is to be adopted, it must 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 which is of critical concern to those entities responsible for harvesting, processing, or shipping perishable commodities.

Our members cannot withstand the costs and burdens associated with such a power loss. We urge the State Board to conduct more extensive hearings on how a California policy can be structured to fit this state's coastal waters while also protecting California's electric supply and reliability and ultimately its economy.

Sincerely,

A rectangular area containing a handwritten signature in dark ink, which appears to read "Donald G. Gordon".

Donald G. Gordon  
President

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cc: Members of the State Water Resources Control Board  
Hon. Linda Adams  
Ms. Susan Kennedy  
Mr. Brian Prusnek  
Ms. Celeste Cantú  
Mr. Dan Skopec  
Mr. Joe Desmond  
Ms. Cindy Tuck