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Foster Farms Has Powerful Argument for Going With MID Electricity

District Marks Year Anniversary as Retail Power Provider

MERCED, Calif. – It's been just over a year since Foster Farms in Livingston began receiving electric power from the Merced Irrigation District. And when Foster Farms' Phil Greene talks about the year-long relationship, his face lights up.

"We've benefited significantly from lower electric rates and the excellent reliability we receive from MID," explained Greene, who is Foster Farms' Director of Materials in Livingston. "With MID, it's been the best of both worlds."

Greene only has to point to one day last August as an example of MID's track record thus far. When a power outage blacked out much of the western United States, the local Foster Farms processing plant was unaffected because it was receiving power from MID. On the other hand, at several of the poultry processors' area facilities still served by PG&E, hundreds of thousands of birds died when the power went out.

"Since MID has been providing us with power, we've never had an unplanned outage," Greene said. "Reliability has significantly improved over what we had experienced with PG&E."

Greene is also pleased with the savings Foster Farms has experienced. While the company's complicated agreement with MID makes it difficult for Greene to give a specific cost-savings figure, he is quick to say that the savings have been "significant."

"Before signing on with MID, we were at a competitive disadvantage within our industry," Greene said. "Now that we are receiving low-cost power, we can maintain a competitive edge. We can continue to provide jobs and help the economic base of this county."

"Foster Farms is an example of what we can provide other businesses in eastern Merced County: Low-cost, reliable power," Garith Krause, MID Assistant Manager of Finance and Electric Services, said.

Even before MID began discussing the idea of selling retail electric power, Foster Farms knew of the significant reduction in costs irrigation districts can provide clients through the company's relationship with Modesto and Turlock Irrigation Districts.

Foster Farms and the Merced Irrigation District then began talking about ways for MID to begin providing retail power to eastern Merced County.

Greene said that competition is great and that every business should consider switching electric-service providers if it would mean lower rates and good reliability.

"It's been a win-win situation," Greene said. "We're receiving low-cost electricity and better reliability, while we were able to help MID enter the retail market."

"For most companies, utility costs are in the top five expenses," he said. "Lower rates can have a significant impact on the bottom line."

Another element of MID that Greene said he finds attractive is that the District is non-profit. "The money is put back into the county," he said.