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Merced Irrigation District Electric Services Update
Fall 2003

Current News

Public Power Week: Oct. 5-11

Merced Irrigation District will celebrate Public Power Week Oct. 5-11 along with more than 2,000 other electric utilities that provide their citizens with electricity services on a not-for-profit basis.

Public Power Week recognizes Merced I.D. for delivering affordable electricity to customers.

Whether you're at work, baking cupcakes for your child's classroom or watching TV, Merced I.D. gives you the electricity you need to make your life powerful.

Public Power Week is celebrated in conjunction with the American Public Power Association (APPA) in Washington, DC. |



Public Power Week
October 5-11, 2003

Merced I.D. Makes Your Life Powerful!

- Lower rates: Our customers enjoy substantial savings.
- Local control: Voters manage through elected officials.
- Responsiveness to customer concerns – distribution system design and esthetics, specially designed programs, matching resources to local needs.
- Emphasis on long-term community goals.
- Quick response from crews located in the community.
- Local employment.
- Not-for-profit status – lower costs and no split allegiance between customers and stockholders.
- All savings stay in the community.
- Access to tax-exempt financing for capital projects.



NEW TRANSFORMER INCREASES POWER CAPACITY AND FURTHER IMPROVES SYSTEM RELIABILITY.

Service Reliability

With the memory of the August blackout that left millions of people in the Northeast U.S. in darkness still fresh, Merced I.D. customers can rest easy knowing that the District has a reliable electric service system in place. We are constantly expanding our system and adding new facilities to increase capacity and reliability for our customers.

The District recently installed a third transformer to Cooper Avenue Substation that adds another 25 million watts of power for the Merced service area. This new transformer provides enough power to serve 3,000 homes. It also adds back-up power to keep the system working during times of high power use such as hot summer days or cold winter evenings.

The District serves more than 2,000 residential, commercial, industrial and governmental customers with three substations located in Livingston, At-

water and Merced. The District maintains its own transmission lines and substations. Each substation has transformers that “step down” power from 115,000 volts to 21,000 volts, so it can be distributed to customers.

The Merced I.D. began generating and selling electricity in 1927 and is the 25th largest of the 44 California utility providers. A 34-mile transmission loop offers complete back-up capability, reducing the risk of prolonged outages. |

Electric Service for New Construction

Find out how to bring MID's low-cost power, fast service and reliability to your project. Give the Business Development Department a call at 722-5761.

Rebates Planned for Energy Savers

Merced I.D. Electric Services offers customers new ways to save money while they save energy. The District is expanding its public benefits program that gives customers cash rebates for purchasing energy-saving appliances such as ENERGY STAR® refrigerators, clothes washers and cooling systems. Earning the ENERGY STAR® means a product meets strict energy efficiency guidelines set by the US Environmental Protection Agency and the Department of Energy. These appliances use anywhere from 25-50% less energy than standard appliances.

To develop and manage the program, the District is pleased to announce the appointment of Isaias A. Franco as Public Purpose Programs Manager for Electric Services. Isaias brings 14 years of experience in the California energy industry to his new position.

His new job is “a great opportunity to be part of an outstanding organization that is growing,” Isaias said. “Ten years from now, we will be able to look back and see how much we have accomplished.”

Isaias also will develop a residential energy assistance program for qualifying customers, an incentive program for planting trees and research other ways for both residential and business



ISAIAS FRANCO JOINS DISTRICT AS PUBLIC PURPOSE PROGRAMS MANAGER.

customers to improve their energy efficiency.

He previously was employed as a Regional Manager by Cal-Air, Inc., Community Energy Services Corporation and Honeywell DMC. While at Honeywell, he led a \$6 million lighting contract for the Johnson Space Center in Houston.

A graduate of the University of the Pacific at Stockton, Isaias is a native of Mexico City. He came to the U.S. as an exchange student, fell in love with the Central Valley and was adopted by his home family. Isaias enjoys playing soccer and basketball and also has a commercial pilot license. He and his wife, Patricia, have a young daughter. |

Contact us at the Merced I.D.!

This newsletter is produced by the Merced Irrigation District Electric Services Department, the real choice for our communities' futures. We can be reached as noted below:

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Run full loads in the dishwasher

and clothes washer and avoid using the heat-dry, rinse-hold and pre-rinse features. Instead, use your dishwasher's air-dry option.

Shut off or unplug lights,

computers and other electronic appliances when you're not using them. More than 75% of energy used to power home electronics is consumed when the products are turned off.

Fall Energy-Saving Tips

Take these energy saving steps to have a more comfortable home, use less energy and contribute to a cleaner environment.

Insulate your home and use caulking and weather stripping to seal air leaks in windows and doors.

Lower the temperature on an electric water heater to 120 degrees F. Turn it off when leaving for extended periods of time.

Renewable Energy— Both An Opportunity & Challenge

The State of California and the Federal Government have focused attention on the issue of renewable energy resources in recent years. Renewable energy generation is seen as a way to reduce America's reliance on electric generation from sources such as coal, fuel oil, nuclear and natural gas.

Renewable energy generation has been defined in recent years to be energy derived from solar, photo voltaic, biomass plants, wind, geo-thermal and small mini hydro plants. Large hydro facilities are now out of favor with power industry regulators because of the environmental considerations that accompany the construction of new dams.

In California, the legislature has set a goal for investor-owned utilities to provide 20% of total customer electric requirements with renewable energy by 2017. Municipal utilities, although not currently obligated by this standard, are working hard to implement renewable programs that will make a significant contribution to California's renewable energy goal.

Merced I.D. is evaluating its renewable energy alternatives and, as a first step, is discussing the possibility of acquiring a small amount of wind energy from a California provider.

With wind, the fuel is "free" but the capital costs have been high. The economics of wind energy have improved substantially over the last 20 years. Where early wind turbines on the Altamont Pass might have had a rated capacity of 100 kw, the newer turbines will have ratings of over 1000 kw or 1 MW. This has brought wind generation costs into the competitive arena. The main disadvantage of wind generation is, of course, the variability of the wind but this can be managed within the system and the long-term fixed price nature of a wind contract can offset disadvantages.

In addition to wind, the District will be looking at utilization of our 3 mini-hydro units for green power contributions and the possibility of anaerobic digesters in connection with dairy plant operations for helping the District meet its green power goals.

The District's objective is to provide its customers the benefits of green power without burdensome cost adjustments. In addition, for those customers who want the ability to buy green power as part of their supply, the District will be able to provide a green alternative. |



CLENDENIN CONSTRUCTION WAREHOUSE.



CREATIVE PLUMBING NEARS COMPLETION.

District Selected for Airport Industrial Park Electrical Services

Electrical power for the new businesses at Merced's South Airport Industrial Park on Thornton Road will be provided by the Merced I.D. The City of Merced awarded the rights to the District to serve as the development's electrical service supplier.

Eleven lots have been sold and structures for Creative Plumbing and Clendenin Construction are nearing completion at the 110-acre park. The site is planned for small commercial and light industrial businesses such as aviation and traditional manufacturers and assemblers, fabricators and food packers, according to Frank Quintero, City of Merced Development Director. Other companies planning to build

are Ace Air, Heater Electric, Maxwell Construction and Alia Corporation.

A \$2 million HUD loan was used to enhance the water line size and add streets, curbs, gutters and a storm drainage system.

Airport Park is the latest in a series of District electric commercial contracts. Also in Merced, the Merced I.D. will be providing electrical service to the Mondo Building and the Lofts on Main Street. Corporate offices of County Bank and UC Merced administration will move into the renovated building across the street from County Bank. Commercial shops and apartment lofts are planned for a new building next door. |