

## DOCKETED

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**LSA Comments on May 6th Regional Grid Operator and Governance Workshop**

*Additional submitted attachment is included below.*



*Submitted online*

May 24, 2016

California Energy Commission  
Dockets Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

Docket No. 16-RGO-01

**RE: May 6, 2016 Regional Grid Operator and Governance Workshop**

The Large-scale Solar Association (LSA) appreciates the opportunity to provide written comments on the May 6<sup>th</sup> Regional Grid Operator and Governance Workshop. The workshop was a productive step toward understanding various state, agency and stakeholder perspectives on key governance issues related to the formation of a Regional Grid or System Operator (“RSO”).

As we shared during the workshop, there are three goals and expectations we have for the RSO:

1. Advance the achievement of climate goals, including facilitating the integration of high levels of renewable resources;
2. Provide cost savings; and
3. Improve reliability.

The development of the RSO, and the governance structure in particular, should be designed to achieve these goals.

In developing the governance framework, LSA finds the following principles, many of which are shared by multiple stakeholders, critical to ensuring these goals are met:

- Preservation of state authority. A durable mechanism to protect state authority, while supporting the overarching goals of regional expansion, will be a key feature for the successful governance the RSO.
- Board independence. The governing board should be financially independent from the RSO market and be free of conflicts of interest.
- Fair and open access to the decision-making processes. The formation of members/stakeholders committees should account for the diverse perspectives of market participants, including different types of renewable generators and ensure any new structures do not mute voices.
- Transparency, efficiency and due process in decision-making. The costs and benefits of additional complexity in decision making structures should be carefully weighed to ensure that they provide for proper oversight without creating barriers to participation or the effective functioning of the RSO.
- Fair and efficient markets. The governance of the RSO will need to include clearly designated and independent market oversight and surveillance functions to protect against market manipulation and promote fair and efficient markets.
- An open and responsive culture. A culture of engagement and responsiveness will be critical to building trust and creating an effective RSO.

LSA looks forward to further discussion and engagement on these important issues and recommends California continue its collaborative work with western states to further the development of a formal governance proposal and that a formal process be established to vet and further develop the governance proposal.

Sincerely,

/s/

Shannon Eddy  
Executive Director

/s/

Rachel Gold  
Policy Director