

## DOCKETED

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**16-RGO-01-SCE Comments on 6-16 and 6-20 2016 Regional Grid Op and Gov Workshops**

*Additional submitted attachment is included below.*

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**California Energy Commission**  
**Dockets Office, MS-4**  
**Docket No. 16-RGO-01**  
**1516 Ninth Street**  
**Sacramento, CA 95814-5512**

**Re: Docket 16-RGO-01: Southern California Edison Comments on the June 16, 2016 and June 20, 2016 Regional Grid Operator and Governance Workshops**

Southern California Edison (SCE) appreciates the opportunity to comment on the CAISO's Proposed Principles for Governance, posted June 9, 2016<sup>1</sup>. SCE continues to support the objective of development of efficient wholesale markets for the delivery of electricity and transmission. Properly designed and implemented, regional markets promise to reduce costs for customers, better utilize existing assets, allow for more efficient development of new infrastructure, and reduce costs of renewable energy integration.

While important details for a successful expansion such as transmission charges, transmission planning, GHG treatment and resource adequacy require additional definition and resolution, such issues are being addressed in other forums. For expansion to succeed, all issues must work in a cohesive manner, and the governance structure must be able to make effective decisions in a timely fashion. The comments below focus specifically on the principles of governance proposed by the CAISO.

**Preservation of State Authority**

SCE supports the continuation of each respective State's authority over procurement policy, certificate of public convenience and necessity approvals for utilities within their jurisdiction, and resource and transmission siting within their state.

**Greenhouse Gas Accounting**

As noted above, the treatment of greenhouse gas accounting and its market integration is being addressed in several other forums.

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<sup>1</sup> [http://www.energy.ca.gov/sb350/regional\\_grid/](http://www.energy.ca.gov/sb350/regional_grid/)

### **Transmission Owner Withdrawal**

Participating transmission owners can withdraw from the CAISO with typically two years notice. SCE supports maintaining these provisions for all participants.

### **Transitional Committee of Stakeholders**

In order to better comment, SCE believes stakeholders would benefit from additional clarity on the proposed role and scope of the transition committee.

### **Initial Board and Transition Period & Composition of Regional ISO Board**

SCE does not have specific comments on this issue at this time but has concerns over the complexity and the ultimate efficacy of the proposed transition provisions of the governance structure. Specifically, the interplay between the Transitional Committee and the development of future boards would benefit from additional clarity on issues such as how the process will ensure stakeholders have appropriate representation, the proper duration of a transition, and ensuring continuity.

### **Establishment of a Body of State Regulators**

SCE supports a Body for State Regulators in an *advisory* role on issues identified in the proposal such as resource adequacy and transmission cost allocation. However, SCE would not support the Body having “primary authority” over these issues. Rather than having a decision making role, an advisory Body would help inform actions adopted by the Regional ISO Board.

### **Stakeholder Processes and Stakeholder Participation**

Overall, SCE believes the current stakeholder process has worked well and supports maintaining the current framework.

In the context of regional expansion, SCE supports reimbursement of expenses if limited exclusively to travel costs incurred by State Agencies (e.g. employees of a PUC) incurred for engagement in stakeholder activities. SCE does not support reimbursement for additional costs or to additional parties.

### **Market Monitoring Structure**

Market Monitoring is foundational to an efficient energy market and has been a part of the CAISO role since its inception. In conjunction with the FERC’s Office of Enforcement, the current CAISO Department of Market Monitoring, with the assistance of the Market Surveillance Committee, has performed well. SCE supports continuation of this current monitoring structure.