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MCE Comments on Regional ISO Governance

Additional submitted attachment is included below.



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California Energy Commission
Dockets Office, MS-4

Re: Docket No. 16-RGO-01

1516 Ninth Street
Sacramento, CA 95814-5512

**Re: Comments on Regional Energy Market Governance
Structure Draft Proposal**

Marin Clean Energy (MCE) hereby submits its comments on the Regional Energy Market Governance Structure Draft Proposal, which was made available on the Energy Commission's website on June 9, 2016. MCE's comments focus on the need to ensure that the proposed governance structure will adequately incorporate Community Choice Aggregators' input.

I. Introduction

MCE is the first of four operating Community Choice Aggregators (CCAs) in California.¹ MCE is a not-for-profit public agency formed to reduce greenhouse gas emissions by providing communities within its service area the choice to purchase alternative energy products to PG&E's product.

MCE supports the environmental and economic goals of regionalization, including reducing Greenhouse Gas (GHG) emissions, creating benefits for ratepayers, and increasing the reliability and integration of renewable resources. In addition, MCE urges the Energy Commission to ensure that the concerns of CCA customers will be adequately represented in the governance structure of the Regional Independent System Operator (Regional ISO).

¹ MCE currently serves over 171,000 customers throughout Marin County, unincorporated Napa County, and the cities of Richmond, San Pablo, El Cerrito, and Benicia. Later this year, MCE will begin customer enrollment in cities and towns of Napa County, and cities of Walnut Creek and Lafayette in Contra Costa County. Inclusion of new communities will increase MCE's customer accounts to approximately 250,000.

II. The Unique Role of CCAs

CCAs are unique among load serving entities in California. Unlike investor-owned utilities (IOUs), CCAs are not regulated by the CPUC. Rather, the governing boards of the CCAs set the long-term integrated resource planning for the CCA and approves the contracts of the CCA to achieve those planning goals. Furthermore, unlike IOUs and publicly-owned utilities (POUs), CCAs do not perform transmission or distribution functions, but are involved in a wide range of utility-scale, small scale and behind-the-meter offerings. As a result, it is essential to ensure fairness when evaluating policies that may have disparate impacts on generation, transmission, distribution and distributed energy functions.

CCAs are also unique in their pursuit of (1) environmental and greenhouse gas goals, and (2) local procurement goals, including local distributed energy goals. To date, all operating CCAs have the objective of exceeding California's renewables goals and reducing greenhouse gas emissions. Furthermore, all operating CCAs have the objective of procuring locally.

Furthermore, CCA service in California is expanding rapidly. Since MCE's launch in 2010, three other CCAs have launched operations: Sonoma Clean Power, Lancaster Clean Energy, and CleanPowerSF. One more CCA, Peninsula Clean Power in San Mateo County, will begin its customer enrollment in September 2016. Eighteen more counties have invested resources in exploring the potential of forming their own CCAs or joining nearby CCAs.

III. The Development of the Regional ISO Governance Should Include CCA Representation

Due to the unique role of CCAs described above and the scale of CCAs in California, it is important to appropriately include CCA representatives in the various aspects of governance for the Regional ISO.

a. Transitional Committee

The proposed Transitional Committee on Governance will provide important structural direction to the governance of the Regional ISO. MCE recommends CCA have a role in the Transitional Committee process as follows:

- Provide a clear role for CCA in the selection process for the Transitional Committee, such as creating a CCA sector subcommittee with voting rights for the selection of Transitional Committee members; and
- Ensure CCA stakeholder input to the Transitional Committee to ensure governance structure treats CCA fairly.

b. Regional ISO Board

The composition of the Regional ISO Board will be important to ensure a competitively neutral playing field for CCA. MCE recommends CCA have a role in the nomination and/or approval process for members of the Regional ISO Board, such as creating a CCA sector subcommittee with voting rights for the selection of Regional ISO Board members.

c. Body of State Regulators

The proposed Body of State Regulators will provide important policy direction on matters of collective state interest. Given the unique role of CCAs, particularly that their long-term integrated resource planning is not under the jurisdiction of the California regulator, MCE recommends that the Body of State Regulators include one CCA representative in a non-voting, advisory capacity.

IV. Conclusion

MCE thanks the Energy Commission, the California Independent System Operator and the Governor's Office for the opportunity to provide comments on the proposed principles for governance of a regional grid operator. MCE looks forward to actively participating in future proceeding activities related to regionalization.

Sincerely,

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