

## DOCKETED

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*Comment Received From: Rachel Gold*

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**LSA Comments on Revised Governance Principles and Final SB 350 Studies**

*Additional submitted attachment is included below.*



*Submitted online*

August 2, 2016

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

**RE: Docket No. 16-RGO-01, LSA Comments on CAISO's Revised Principles for Governance of a Regional ISO and Final SB 250 Studies**

The Large-scale Solar Association ("LSA") appreciates the opportunity to provide comments on the *California ISO's Revised Proposed Principles for Governance of a Regional ISO* ("Revised Governance Proposal" or "Revised Proposal") and the final SB 350 Studies. LSA supports development of a Regional ISO that effectively integrates high penetrations of renewable energy, reduces costs and facilitates economic growth, maximizes the reliability and efficiency of the transmission grid, and supports climate benefits. The completion of the SB 350 studies and the Revised Proposal represent key milestones toward the formation of a Regional ISO that can achieve these goals. With that in mind, we offer the following comments and recommendations.

**SB 350 Studies**

The completion of the SB 350 studies was a significant and laudable effort, particularly in the short time frame. Recognizing the many challenges and the inherent difficulty in making long-term predictions, LSA's approach to evaluating the SB 350 studies was to evaluate the range of potential benefits that can be expected from the formation of the Regional ISO. LSA continues to believe that the base study did not include a realistic picture of future solar costs or solar development across the West and was overly optimistic in its assumptions that no in-state transmission will be needed going forward. However, the low-cost solar sensitivity and other sensitivities included in the final studies helped to address these concerns and provided a broad picture of a range of potential benefits.

We note that we continue to disagree with the characterization in the environmental impact assessment that large-scale solar is incompatible with other land uses. This characterization ignores projects that currently enhance ecosystem function by siting on marginalized agricultural lands, where groundwater recharge and repopulation of native vegetation can occur. Grazing also occurs on a number of utility-scale solar facilities. In addition, there are on-going efforts, including a new

effort by the National Renewable Energy Laboratory, on opportunities to co-locate solar with agriculture.

Despite these concerns, the study results as a whole indicate significant integration benefits and ratepayer savings from the formation of the Regional ISO. How we achieve these benefits now depends, in large part, on establishing a robust and workable governance framework.

### **Revised Governance Proposal**

The Revised Proposal builds on and improves on the prior draft to which LSA offers several suggested refinements. They include:

- Revise the Transitional Committee selection process to allow stakeholder groups to select their own representatives;
- Define public comment opportunities during the Transitional Committee Process;
- Provide for Transitional Committee approval of the resulting governance proposal based on unanimous support of the participating states and a majority of the committee as a whole;
- Prioritize the issue of weighted voting in the work of the Transitional Committee; and
- Consult with FERC before finalizing the scope and structure of Section 205 filing rights.

LSA also recommends that the Transitional Committee development be started once the Revised Proposal is finalized. There appears to be no barrier to beginning this process in short order and all stakeholders will benefit from the earlier refinement of these governance issues.

### *Greenhouse Gas Accounting*

LSA was pleased to hear CAISO's firm commitment to establishing a regional accounting system during the July 26<sup>th</sup> Workshop. Establishing a regional accounting system is a critical part the development of the Regional ISO and should be prioritized.

### *Transitional Committee*

LSA has three remaining concerns about the formation of the Transitional Committee. First, LSA does not support section 3.4 of the Revised Proposal. LSA understands the ISO's interest in ensuring a balanced Transitional Committee that represents region-wide interests. However, the ultimate selection of the sector representatives should be the choice of the sector groups and not the ISO.

The process could include a specific requirement that the sector representative represent the sector interests across the footprint and a process for facilitating that input. However, sector members understand their own interests and needs best and have proven in the past they can and do select capable and collaborative representatives. With the addition of state representatives to the Transitional Committee there should also be less concern that broader regional interests will not be represented. For these reasons, we find no compelling need to turn this part of the process over to the ISO.

Second, the Transitional Committee section should better define how broader stakeholder participation will occur, beyond a commitment to open meetings. While we expect this will be the case given the process thus far, and this may ultimately be part of the Charter noted in section 3.5, a clear commitment now to periodic public opportunities for formal comments is important. These details should help address any concerns that the Transitional Committee structure might not enable on-going public participation.

Finally, LSA recommends that Transitional Committee approval of the final governance proposal require both unanimous approval from the state representatives on the Transitional Committee (as indicated in section 3.7) and an overall majority of the committee as a whole. This will help ensure that the overall structure will be workable for market participants and other stakeholders, as well as the multiple states.

#### *Weighted Voting and Section 205 Filing Rights*

LSA supports a weighted voting approach based on load share for the Western States Committee (“WSC”) and recommends that voting details of the WSC be a top priority issue for the Transitional Committee. In addition, while LSA generally supports the Section 205 filing rights refinements in the Revised Proposal, LSA remains concerned that the Revised Proposal may not meet FERC’s requirements for complementary filing rights. Thus, LSA recommends, ISO consultation with FERC prior to finalization of this section of the Governance Proposal.

Please let me know if you have any questions about the above suggestions.

Sincerely,

*/s/Rachel Gold*

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