

## DOCKETED

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*Comment Received From: Tim McRae*

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**Silicon Valley Leadership Group Comments on Doc. No. 16-RGO-01**

*Additional submitted attachment is included below.*



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Docket Office  
1516 Ninth Street  
Sacramento, California 95814

Re: Docket No. 16-RGO-01/Comments on the CAISO's Second Revised Principles for Governance of a Regional ISO

October 28, 2016

Dear Chair Weisenmiller:

The Silicon Valley Leadership Group appreciates the opportunity to comment on the California Independent System Operator's (CAISO) "Second Revised Principles for Governance of a Regional ISO," released on October 7, 2016. The Leadership Group developed the following set of principles around the proposed regionalization of the ISO:

1. California should retain a voice in proportion to its population in ISO governance
2. Each state should retain control over the development and implementation of its energy policies and resource adequacy requirements
3. A regional ISO should facilitate and implement policy directives developed at the state and federal level
4. A regional ISO should treat Distributed Energy Resources (DERs) in a comparable manner to other grid resources by
  - Recognizing the beneficial contributions of DERs to the grid system
  - Providing fair compensation to DERs for the grid services they provide
  - Establishing reasonable and non-discriminatory interconnection and metering practices
5. A regional ISO should promote solutions that minimize curtailment of renewable resources
6. A regional ISO should promote customer choice and options
7. A regional ISO should have transparent processes and decision making that allow for active public engagement

While, the Leadership Group is glad to see that much of the CAISO's revised principles align with our principles, our membership still has concerns that DERs are not sufficiently represented in the proposed governance structure. Moreover, they are concerned that customer choice is not sufficiently addressed.

The Leadership Group appreciates the inclusion of one DER representative in the Transitional Committee of Stakeholders. However, we are concerned that having only one representative from this industry is not adequate as such a small voice likely will be drowned out by the larger, more influential voices in the room. Moreover, there is no directive to explicitly include DERs in the ISO Board nominating process. It is imperative that DERS have a real say in this process as the Board and the Western States Council will wield a great deal of power. Lastly, there is also no formal place for DERs on the ISO Board or the Western States Council. Again, given that these two entities will have primary authority over important issues such as resource adequacy and transmission cost allocation, it is imperative that DERs are at least given a non-voting advisory role so that their voices are heard as well in these critical grid planning processes.

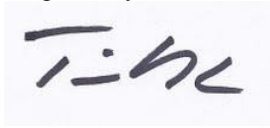
Finally, we are concerned that customer choice is not addressed in the CAISO's Revised Principles. It is not clear that moving to a regionalized grid will allow California businesses to maintain the many electricity source choices that they currently enjoy. Many of our large end-users rely on such choices to achieve energy cost savings and meet their environmental sustainability goals at their facilities across the state; and thus we have identified customer choice as one of our principles and respectfully ask that the CAISO consider adding a customer choice provision to its governance principles.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 400 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation,

education, housing, health care, tax policies, economic vitality and the environment.

The Leadership Group appreciates the CAISO's hard work on this very complicated task, and is grateful for the opportunity to participate in this process. We hope that you will give our recommendations your full consideration. If you have any questions on our position, please contact Sarah Qureshi, Sr. Associate Energy and Environment, at 408-501-7883 or [squreshi@svlg.org](mailto:squreshi@svlg.org).

Respectfully,

A handwritten signature in black ink on a light blue background. The signature appears to be "Tim McRae" written in a cursive, slightly stylized font.

Tim McRae  
Senior Energy Director  
Silicon Valley Leadership Group