

## DOCKETED

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**Environmental Justice Parties' Comments on Paper on Western States Committee**

*Additional submitted attachment is included below.*

## Environmental Justice Parties' Comments

### Western States Committee (WSC) Primary Authority Discussion Paper

Submitted by	Organization	Date Submitted
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The California Environmental Justice Alliance (“CEJA”), Asian Pacific Environmental Network (“APEN”), Communities for a Better Environment (“CBE”), and The Greenlining Institute (collectively hereinafter the “Environmental Justice Parties”) respectfully submit these comments to the California Energy Commission in response to the California Independent System Operator’s (“CAISO”) Western States Committee Primary Authority Discussion Paper.

*1. Please indicate your organization’s overall level of support for the ISO’s proposal regarding potential topics for the primary authority of the WSC.*

*To indicate level of support, please select one of the following options: (1) Fully support; (2) Support with qualification; or, (3) Oppose. Please provide an explanation of your organization’s position. (For example, if your organization fully supports, please provide reasons for your support. If your organization supports with qualification, please describe your qualifications or specific modifications that would allow you to fully support the proposal. If your organization opposes, please explain why you oppose the proposal.*

The Environmental Justice Parties support the development of an independent body called the Western States Committee as an important check upon a new regional authority and its policy developments. This organization can help provide the regional authority with potential regional solutions to and consensus for major policy issues and developments.

It is difficult to rate levels of support for the primary authority of topics for WSC consideration when the jurisdiction of the regional ISO is still in flux and aspects of the current proposal falls squarely within state jurisdiction. For example, one of the primary proposals for the WSC is “[a]pproval of the system-wide Planning Reserve Margin (“PRM”) target to establish system resource adequacy.”<sup>1</sup> To determine this, the WSC will need to examine how resources are accounted for in various jurisdictions under resource adequacy requirements.

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<sup>1</sup> See CAISO, Potential Topics Within the Primary Authority of the Western States Committee, at p. 3 (October 7, 2016).

In California, for example, these determinations fall squarely under the jurisdiction of the California Public Utilities Commission (“CPUC”) under requirements such as Section 380 of the California Public Utilities Code. This section requires the CPUC to balance many requirements including establishing new demand response products or tariffs and maximizing the ability of community choice aggregators to determine load.<sup>2</sup> It is unclear whether CAISO is intending for the WSC to intrude upon these issues, but if the WSC does not decide resource adequacy, then it is unclear what the basis will be for determining a PRM target. Clarification is needed about how CAISO proposes RA decisions to be made related to the PRM and how its proposal would limit intrusion into state authority.

Relatedly, the Environmental Justice Parties are concerned about CAISO’s proposal to extend its backstop procurement authority under a regional authority. CAISO’s expanded backstop authority would take decisions away from state authorities that have both a detailed understanding of resources within their jurisdiction as well as statutory mandates separate from reliability such as protecting the environment. As proposed, the proposed WSCs decision on a PRM could be used as the basis for determining backstop procurement. Even assuming that a WSC is the correct body to determine a PRM, local regulatory authorities should still retain primary authority for determining assumptions about local resources within their jurisdiction. Proceedings at the CPUC have demonstrated disagreements about critical resource assumptions resulting in up to a 1,000 MW difference in forecasted needs.<sup>3</sup> Local regulatory authorities often administer programs related to preferred and distributed resources. To fully account for these resources, and to assure that overprocurement is minimized, local regulatory authorities should continue to have primary responsibility for examining resource needs within their jurisdictions.

2. *The ISO’s discussion paper identified at page 5 certain factors that may be relevant in establishing whether a particular topic within the categories of Resource Adequacy or transmission cost allocation should be within the primary approval authority of the WSC. Please provide any comments you may have on whether the factors that have been identified are the correct ones or if other factors or criteria should be considered.*

The Environmental Justice Parties believe that it is particularly important for a WSC to be a decision-maker in areas that have traditionally fallen under state jurisdiction because a WSC provides a layer of accountability for these issues that is otherwise not present in the regional authority.

3. *The ISO’s discussion paper identifies the system wide planning reserve margin target as a topic within RA that should be within the primary approval authority of the WSC. Please comment on this aspect of the proposal. Please also comment on whether there are any other specific topics within the category of RA for which the WSC should have primary approval authority.*

See discussion in Response to Question 1 above.

4. *The ISO’s discussion paper identifies as a topic for the WSC’s primary approval authority cost allocation between sub-regions for policy driven projects that support policy mandates of, or provide benefits to, more than one sub-region. Please comment on this aspect of the proposal. Please also comment on whether there are any other specific topics within the category of RA for which the WSC should have primary approval authority.*

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<sup>2</sup> See Cal. Public Util. Code § 380.

<sup>3</sup> CPUC Decision 13-02-015 at p 65.

No comments at this time.

*5. Please comment on any other topics that your organization feels should be included in this proposal.*

The WSC should have an open process that allows parties to comment when decisions are being made as well as listen into the meetings and deliberations. Translation services as well as materials in accessible formats will help facilitate a meaningful public process. In addition, to assure a fair and open process, the WSC, should report meetings with outside parties related to pending decisions. These reports will help assure that the public is aware of the information being considered by members, which is a critical aspect of a fair decision-making process.