

DOCKETED

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Public Generating Pool Comments on 2nd Revised Proposal Principles for Governance of a Regional ISO

Additional submitted attachment is included below.



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October 31, 2016

via e-mail: California Energy Commission

Subject: Regional Grid Operator and Governance

Docket No. 16-RGO-01

The Public Generating Pool (PGP) is composed of nine consumer-owned electric utilities in Washington and one consumer-owned electric utility in Oregon. PGP submitted comments on the initial and revised Principles for Governance of a Regional ISO and appreciates the opportunity to comment on the Second Revised Principles for Governance of a Regional ISO (Second Revised Proposal).

PGP would like to commend the California ISO for many of the modifications made in the Second Revised Proposal. There are a few additional areas that we believe still require modification.

Market Advisory Committee

Given the significant impacts associated with market design, a Market Advisory Committee (or equivalent concept) is essential to the governance structure to assure appropriate representation on these issues. This Committee assures that the Board is informed of the impacts to market participants, some of which may have no other form of representation, in a formal that does not rely solely on the ISO staff to attempt to reflect those interests.

It is not sufficient to simply have this concept addressed by the Transitional Committee, as written in both the Revised Proposal and the Second Revised Proposal. We recommend that the final governance proposal include a commitment to develop a Market Advisory Committee that has a direct line of communication to the Board and provides for representation of all ISO stakeholders, including those that are not within the ISO footprint.

We have heard concerns that the Market Advisory Committee may impact the or necessitate changes in the ISO's current Stakeholder Process. Our concept of the Market Advisory Committee could be added to any stakeholder process and does not, by itself, require any change to the current Stakeholder Process.

Public Power Representation on Western States Committee

PGP requested consideration of an additional public power representative on the Western States Committee that was not within the ISO footprint. We appreciate the additional public power representative that was included in the Second Revised Proposal, but we note that the representatives will be selected by only publicly-owned utilities within the ISO footprint. A Regional ISO will have impacts on load serving entities both inside and outside of the ISO footprint and we believe it is essential that the Governance structure ensure that it is structured so that it can be apprised of those impacts.

For that reason, PGP suggests that the two POU representatives be selected as follows: one from within the expanded ISO footprint and the other from outside of the footprint but with a relationship to the ISO through grid management services, including scheduling coordinators, EIM participants, POUs receiving imbalance services from an EIM entity, and others with a similar relationship to the ISO.

Public Generating Pool

Chelan County PUD / Clark Public Utilities / Cowlitz County PUD / Douglas County PUD / Eugene Water & Electric Board
Grant County PUD / Klickitat County PUD / Lewis County PUD / Pend Oreille County PUD / Snohomish County PUD / Tacoma Power

75% Load Voting Requirement

The Second Revised Proposal includes voting requirements for the Western States Committee (WSC) that require 75% of the voting members representing 75% of the total load within the ISO footprint for any proposal within the primary authority of the WSC. PGP understands the need to assure that load is adequately represented, however, this weighting appears to give California, just by its large population, a de facto veto in the decision process that will be hard to overcome even if the ISO footprint expands. PGP recommends consideration of an alternative voting process that provides for a more equitable representation of all participating state's interests.

Sincerely,



Therese Hampton, Executive Director
Public Generating Pool

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