

## DOCKETED

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*Comment Received From: Danielle Osborn Mills*

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## **Large-scale Solar Association Comments on the Second Revised Governance Proposal**

Attached please find the Large-scale Solar Association's (LSA's) comments on the Second Revised Governance Proposal for Governance of a Regional ISO.

Please contact me if you have any questions.

Many thanks,

Danielle Mills

*Additional submitted attachment is included below.*



*Submitted online*

October 31, 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 Second Revised Proposal for Governance of a Regional ISO**

The Large-scale Solar Association (“LSA”) appreciates the opportunity to comment on the *California ISO’s Second Revised Proposal: Principles for Governance of a Regional ISO* (“Second Revised Proposal”). LSA supports development of a RSO that effectively integrates high levels of renewable energy, reduces costs and facilitates economic growth, maximizes the reliability and efficiency of the transmission grid, and supports climate benefits.

The Second Revised Proposal is a significant improvement to the First Revised Draft. However, some issues still need additional refinement. LSA supports use of the principles as the basis of discussions moving forward.

At a high level, LSA believes that a graphical depiction of the transition process would help stakeholders and decision-makers more fully understand the process and sequencing envisioned by the ISO. A Gantt chart or procedural timeline is recommended not only for clarity, but to ensure that the various committees in the process are established in time for key decision points.

Finally, gathering early feedback from FERC on this revised governance proposal is advisable. We offer comments on specific elements of the proposal below.

Transitional Committee

LSA appreciates the CAISO’s positive response to our previous requests for refinement of the Transitional Committee proposal. LSA’s comments on the First Revised Proposal recommended that the CAISO revise the Transitional Committee selection process to allow stakeholder groups to select their own representatives, and the Second Revised Proposal includes this change. To our earlier point, however, we seek additional specificity on the timing and decision points for each stakeholder group to select its own representative.

LSA also recommended further definition of the public comment opportunities during the Transitional Committee Process, as well as the decision-making mechanism that would be most appropriate for final adoption of the Transitional Committee’s work product – the resulting governance proposal – and the Second Revised Proposal provides many of these additional details.

The refinements to the Transitional Committee are helpful as a whole, and LSA recommends that the CAISO continue to move forward with the structure and composition defined in this Second Revised Proposal.

### Western States Committee

LSA supports the general Western States Committee (WSC) framework, though the WSC scope and responsibility requires further discussion among stakeholders, particularly the CPUC and CAISO. Alignment on the timing, methodology, and/or details of determining the Planning Reserve Margin (PRM) are necessary, along with certainty of Resource Adequacy (RA) resource-counting methodologies.

To that last point, and as LSA has expressed in recent comments on *Regional Resource Adequacy – Third Revised Straw Proposal*, issued September 29<sup>th</sup>:

- State authority in areas such as RA counting methodologies should receive additional deference, and RSO counting rules could also be added to the scope of the WSC’s authority.
- More coordination with the CPUC is needed on a transition to the Effective Load Carrying Capacity (ELCC) methodology. This methodology is highly complex, and the CPUC has been working on the details for more than two years. Many issues remain unresolved (including the numerous issues detailed in LSA’s last comments), and applying this methodology to the larger RSO footprint would raise additional issues and yield different results even with the same methodological approach.

In general, we recommend that the Western State Committee be formed quickly and that WSC representatives be seated early, in order to meet frequently and to establish and implement operating procedures, and to help the ISO and stakeholders better understand dynamics, issues, and needs of each state. Much of the final governance structure still appears to run through the current ISO board; WSC input will help decision-makers understand if and how those governance proposals will meet the needs of California and the other states. However, LSA realizes the circular nature of this process.


Finally, the CAISO should ensure that this early establishment of the WSC includes procedures for early reporting of any WSC member questions or potential policy conflicts.

### Preservation of State Authority

LSA appreciates the CAISO's continued emphasis on preservation of state authority and hopes that this will provide the necessary assurances to stakeholders and policy-makers to move the regional ISO proposal forward. The CAISO must ensure this higher level of comfort with the proposed principles for other states to ensure a smooth and efficient transition to a new regional grid.

Again, LSA appreciates the incorporation of stakeholder comments on earlier drafts of the governance documents and looks forward to continued discussion. Please let me know if you have any questions about the above suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle", with a long horizontal flourish extending to the right.

Danielle Mills  
Senior Policy Advisor  
Large-scale Solar Association