

DOCKETED

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Southern CA Public Power Authority Letter on Regionalization (16-RGO-01)

Please see attachment.

Additional submitted attachment is included below.



July 6, 2016

The Honorable Edmund G. Brown Jr.
Governor of California
State Capitol
Sacramento, CA 95814

RE: SCPPA Concerns with Regionalization of the California Independent System Operator (CAISO)

Dear Governor Brown:

I write to express the Southern California Public Power Authority's (SCPPA) concern regarding the expedited timeline and process with which California is moving forward on the proposed transition of CAISO into a regional entity. We fear that decisions will be made without adequate consideration of the long-term implications for California ratepayers.

SCPPA is a joint powers agency whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly owned electric utility governed by a board of local officials. Our Members collectively serve nearly five million people in Southern California – and each has made significant investments to achieve California's ambitious climate change policies while also ensuring an affordable, reliable, and sustainable power supply for ratepayers. SCPPA has also closely followed the regionalization process since initial discussions occurred during development of SB 350 (de León).

Many stakeholders are now attempting to engage state regulators in the implementation of this landmark legislation via several separate but inter-related stakeholder proceedings before the CAISO, Energy Commission, Public Utilities Commission, and the Air Resources Board. It is particularly challenging to fully understand the details of how a regional energy market would operate within this evolving and complex regulatory framework under such an expedited timeline. There are simply too many unknown variables. Potential market stakeholders cannot feasibly measure customer impacts without understanding these interactions – as has been expressed by a number of policymakers across the West.

SCPPA appreciates the numerous workshops and reports that have been released to date. However, we continue to caution against hastily making decisions without complete information and robust analyses of both the benefits *and* costs. **SCPPA strongly encourages increased transparency to shed light on the underlying information fueling both the decision-making process and timeline.** The transition to a regional market requires careful consideration to ensure that it is “in the best interests of California and its ratepayers” – a growing number of whom are served by not-for-profit public power entities. Many stakeholders have urged the CAISO to further evaluate and demonstrate that this prerequisite has been clearly met. We agree; there remain significant concerns from entities both within and outside of our State.

SCPPA strongly believes that a hurried timeline should not be the main factor driving a transition to a regional market. California must be diligent in protecting its ratepayers from inadvertent long-term market and reliability impacts.

Sincerely,

Bill D. Carnahan
Executive Director

Cc: Cliff Rechtschaffen, Senior Energy Advisor to Governor Brown
Robert B. Weisenmiller, Chair, California Energy Commission
Michael Picker, President, California Public Utilities Commission
Mary Nichols, Chair, Air Resource Board
Edie Chang, Deputy Executive Officer, California Air Resources Board
Stephen Berberich, President and Chief Executive Officer, California Independent System Operator
Kip Lipper, Chief Energy Policy Advisor to Senate President Pro Tempore
Sue Kateley, Chief Consultant to the Assembly Committee on Utilities and Commerce
Jay Dickenson, Chief Consultant to the Senate Committee on Energy, Utilities and Communications
Nidia Bautista, Consultant to the Senate Committee on Energy, Utilities and Communications
Lawrence Lingbloom, Chief Consultant to the Assembly Committee on Natural Resources