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## **PGP Comments on Governance Proposal**

Additional submitted attachment is included below.



www.publicgeneratingpool.com thampton@publicgeneratingpool.com

July 7, 2016

via e-mail: California Energy Commission

**Subject: Regional Grid Operator and Governance** 

Docket No. 1-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. Collectively, PGP member utilities serve approximately two million people with a 6,000 MW utility-owned asset base that is 96% carbon-free.

PGP appreciates the opportunity to provide comment on the Governance Principles provided in consideration of a regional ISO. This is an issue of great importance for current members of the ISO, future members of the ISO, neighboring balancing authority areas, and all market participants. The expansion of the ISO market and how market design decisions are made will have an impact on all of the WECC region. There are significant market design issues that should be decided through a governance structure that assures broad representation from all of those that will be affected, both directly and indirectly.

PGP supports the comments provided by Public Power. The following comments are either in addition to or intended to provide emphasis.

## **Transitional Committee**

PGP has reservations regarding a Transitional Committee. However, if there is a decision to have a Transitional Committee, we recommend broad representation, a well-defined scope of duties, and a limited duration. In addition to broad regional representation, we believe the Transitional Committee needs to have public power representation from both inside and outside of California.

## **Role of BPA**

BPA owns and operates a significant portion of the transmission in the West. In addition, BPA has specific and unique statutory responsibilities for load service and treatment of generation and transmission that need to be assured. Given the potential West-wide impacts of a regional ISO, BPA's unique responsibilities should be recognized by providing them a role in any transitional committee, Body of State Regulators, and Market Advisory Committee.

## **Stakeholder Process**

We do not believe that the governance proposal needs to address the entire stakeholder process. However, the commitment to have a formal Market Advisory Committee (or equivalent concept) is an essential element in assuring appropriate representation in governance on market design issues.

There can be significant financial impacts and consequences from seemingly minor market design choices. Having a formal Market Advisory Committee assures the Board is informed of the impacts to market participant in a formal way and does not rely solely on the ISO staff to attempt to reflect those interests.

We recommend that the 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 parties with a direct financial impact in the market.

Again, thank you for the opportunity to comment.

Sincerely,

Therese Hampton, Executive Director

**Public Generating Pool** 

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