

DOCKETED

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AWEA and Interwest Comments on WSC Primary Authority

Additional submitted attachment is included below.

Optional Stakeholder Comments Template

Western States Committee (WSC) Primary Authority Discussion Paper

Submitted by	Organization	Date Submitted
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Stakeholders are encouraged to use this template to provide comments on the *Potential Topics within the Primary Authority of the Western States Committee* Discussion Paper and Draft Proposal posted on October 7, 2016.

All documents for the Regional Grid Operator and Governance Proceeding are available at:

http://www.energy.ca.gov/sb350/regional_grid/documents/index.html

Submit comments to the California Energy Commission Docket 16-RGO-01:

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=16-RGO-01> or
docket@energy.ca.gov

Comments should be submitted by October 31, 2016.

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.

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.

(1) – AWEA and Interwest generally support these factors, but suggest that they be clarified within the *Discussion Paper* to better impart to the reader whether each factor implies a issue “would be” or “would not be” appropriate for residing within the primary authority of the WSC.

AWEA and Interwest also encourage the ISO and, the Transitional Committee, to include as many details as possible in the initial governance plan, Bylaws and tariff filings, such that the areas of WSC primary authority are very clearly identified in these founding documents. In addition, the governance documents should explain the process for determining whether a new area should fall within the primary authority of the WSC.

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.

(1) – AWEA and Interwest fully support the primary authority for the WSC in this area. The system wide planning reserve margin is an essential area for WSC authority. The system-wide PRM may be responsible for driving new investments and for driving RA costs for any LSE that participates in the expanded ISO. Therefore, allowing the WSC to have a primary role in this area will be important. AWEA and Interwest fully support the WSC’s role in this area and would support consideration of other areas within the RA framework where WSC authority may be appropriate.

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.

(1) – AWEA and Interwest fully support the primary authority for the WSC in this area of transmission cost allocation for public policy-driven transmission projects that impact more than one region.

AWEA and Interwest also support consideration of whether there may be a need for expanded WSC oversight and primary authority within the transmission cost allocation arena. Specifically, AWEA and Interwest encourage consideration of whether the WSC should be given a role, and potentially primary authority in determining which transmission projects are classified as “policy-driven.” The WSC may be asked, for instance, to review reliability projects to determine if a project classified as “reliability-driven” may, in fact, be policy-driven and thus warrant consideration for cost allocation under the “policy-driven” cost allocation methodology. In addition, it may be appropriate for the WSC to have primary authority for determining which sub-regions’ policy need(s) drove the transmission project. As currently structured, the CAISO’s Transmission Planning Process may not fully answer these questions, especially for the sub-regions outside of California. Because the determination of which projects are “policy-driven” and the determination of which sub-regions’ drove the need for the project may be an

area where balancing competing state interests is particularly important, this may be an area for WSC primary authority to be more fully explored.

Additionally, there should be consideration of whether the WSC should be given primary authority, or at least an expanded role, in determination of the benefits included in the ISO's Transmission Economic Assessment Methodology (TEAM). In comments on the ISO's Regional Transmission Access Charge stakeholder initiative, AWEA and Interwest have consistently argued for expanding TEAM to encompass additional benefits, such as the capacity cost savings associated with accessing lower cost generation resources. Allowing the WSC to be an integral part of those decisions may provide more comfort to individual states and may help gather support for expanding TEAM to more accurately capture the benefits associated with new transmission, including capital cost savings.

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

As discussed above, AWEA and Interwest support consideration of WSC primary authority in the following areas:

1. Additional areas of regional RA
2. Reviewing the classification of transmission projects for cost allocation purposes
3. Determining which sub-regions' policy(s) drove the requirement for a policy-driven transmission project
4. Determining the suite of benefits that should be included in TEAM and thus used for cost allocation for economic and, also, policy-driven projects.