

**Western Power Trading Forum and Alliance for Retail Energy Markets Joint Comments
on the 2011 Integrated Energy Policy Report Committee Scoping Order**

Docket 11-IEP-1

July 26, 2010

To: Presiding Member: Chairman Karen Douglas
Associate Member: Jeffrey D. Byron

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Dear Chairman Douglas and Associate Member Byron:

The Western Power Trading Forum (“WPTF”)¹ and the Alliance for Retail Energy Markets (“AReM”)² are pleased to submit these brief comments on the draft 2011 Integrated Energy Policy Report (“IEPR”) Committee Scoping Order (“2011 IEPR Scoping Order”) dated July 12, 2010.

The 2011 IEPR Scoping Order notes that the 2009 IEPR contained a commitment to address “the impact of electricity market structures on infrastructure planning processes” as part of the 2011 IEPR. On several occasions, WPTF has addressed the Commission to speak about the ongoing flaws of California hybrid market structure with respect to infrastructure planning and development, the harm it poses for competitive wholesale and retail markets, and potential utility procurement reforms that are necessary to address these problems. Your willingness to address this important issue in the context of the IEPR demonstrates the Energy Commission’s leadership in providing all the California energy agencies with a comprehensive assessment of challenges that exist with respect to providing reliable, cost-effective electricity to California’s

¹ WPTF is a California non-profit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports development of competitive markets through the West and developing uniform rules to facilitate transactions among market participants.

² AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California’s direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

consumers and businesses, even as California proceeds to attain aggressive environmental goals. WPTF and AReM stand ready to support your efforts in assessing this issue. In this regard, WPTF and AReM note that the 2011 Scoping Order divides the 2011 IEPR review into several sub-dockets, and respectfully request that the final 2011 Scoping Order specify which of the sub-dockets will be the venue for this topic.

Moreover, WPTF strongly endorses your recognition of the “need for common planning assumptions among the state’s energy agencies. It is essential that agencies use the same assumptions when assessing California’s future electricity infrastructure needs and the best location for that infrastructure, particularly assumptions about the levels of preferred resources expected to be in place over the next decade.” Uniformity with respect to the planning assumptions helps to ensure market certainty, which in turn provides the incentives for merchant investment in needed infrastructure.

Again, WPTF and AReM again thank you for providing a comprehensive and thoughtful Scoping Order, and look forward to participating with you and your staff on the 2011 IEPR.

Respectfully,

***Alliance for Retail Energy Markets
Western Power Trading Forum***

Comments delivered via e-mail to docket@energy.state.ca.us

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