

pricing design to address impacts of the Western Energy Imbalance Market. DMM thinks the information and considerations listed seem reasonable.

The Commission's Proposed Policy Statement states:

Accordingly, we propose to make it the policy of this Commission to encourage efforts by RTOs/ISOs and their stakeholders—including States, market participants, and consumers—to explore establishing wholesale market rules that incorporate state-determined carbon prices in RTO/ISO markets.³

DMM supports the Commission's proposed direction to encourage collaboration among RTOs/ISOs and states to integrate state-determined carbon policies into wholesale markets. As the CAISO has indicated, the CAISO and its stakeholders, including state entities, continue to work together to refine its greenhouse gas pricing design as the Western Energy Imbalance Market expands to include entities in states with their own carbon emission reduction programs, and states without carbon emission reduction programs.⁴

As more entities in states across the West join the Energy Imbalance Market, continued coordination among the CAISO, stakeholders, and state entities to determine how various state policies can be reflected in the CAISO market will remain important. While integrating several different carbon pricing regimes in a single ISO market may prove challenging, ongoing discussion among RTOs/ISOs and states is imperative to both

³ *Proposed Policy Statement*, p.12.

⁴ *Motion to Intervene and Comments of the California Independent System Operator Corporation*, Docket No. AD14-20-000, May 19, 2020, pp. 3-4: http://www.aiso.com/Documents/May19-2020-Intervention-Comments_CarbonPricingFERCJurisdictionalOrganizedRegionalWholesaleElectricEnergyMarkets-AD20-14.pdf

preserve state authority over development of carbon emission reduction policies and ensure that state-determined carbon pricing can be efficiently integrated in ISO markets.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 16th day of November, 2020.

/s/ Candace McCown

Candace McCown