

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
Robert Laurie, Assistant General Counsel, Energy <a href="mailto:ralaurie@iid.com">ralaurie@iid.com</a> (760) 791-1094	Imperial Irrigation District	June 21, 2016

Please use this template to provide written comments on the Clean Energy and Pollution Reduction Act Senate Bill 350 (SB350) Study initiative posted on April 25, 2016.

Please submit comments to [regionalintegration@caiso.com](mailto:regionalintegration@caiso.com) by close of business  
June 22, 2016

Materials related to this study are available on the ISO website at:  
<http://www.caiso.com/informed/Pages/RegionalEnergyMarket/BenefitsofaRegionalEnergyMarket.aspx>

Please use the following template to comment on the key topics addressed in the workshop.

**1. Are any of the study results presented at the stakeholder workshop unclear, or in need of additional explanation in the study's final report?**

Comment: The Imperial Irrigation District ("IID") provides the following observations on the SB 350 preliminary study results presented at the May 24-25, 2015 stakeholder workshop. IID is concerned that the study inputs and study results are done right. As IID understands the preliminary study results, there is no need to rush through the study process, given that the results appear to claim that more tangible benefits would not appear immediately, but assuming the study assumptions hold true, over a broader timeframe, as indicated in the 2030 scenarios. It is more important to take the time to make an accurate assessment of the costs, benefits and impacts to Californians, whether or not located in the present California Independent System Operator Corporation ("CAISO") footprint. In submitting these observations, IID does not indicate support for any aspect of the regionalization study, including those areas not mentioned, or those topic areas identified even in the event additional data is provided. Nevertheless, further data provided in the below areas would assist analysis of the study results.

First, the study results conclude that a regional Independent System Operator ("ISO") provides reliability benefits, including reducing the likelihood of major, reliability events and unscheduled flows, lowering the costs of congestion management, fostering greater unit commitment, and enhancing software and operator training. The study results' analysis conducted attributes benefits under a regional ISO to the reduction of a patchwork of Balancing Authority Areas ("BAAs"), and better financial and hedging options, such as liquated trading hubs. Given the importance of maintaining a reliable grid, IID is disappointed that there was not a quantifiable analysis conducted of many of the key, incremental, reliability benefits expected through forming a regional ISO. See May 24 Presentation Slides 9, 122-23 It would be helpful in evaluating the study results to know how the study would measure reliability benefits, for example, analyzing reduced hours of curtailment on an annual basis as one metric, further translated into a specific avoided cost. IID would like to see the support for the conclusion that there are reliability benefits gained through a regional ISO, to be able to assess whether there is a significant, incremental benefit to reliability.

IID questions the characterization of limitation in the cost production scenario of assuming perfectly competitive bidding behavior, as resulting in a conservative estimate of benefits (See May 24 Presentation, Slide 92). To the contrary, it would be reasonable to assume that some level of competitive inefficiency would result in a conservative estimate of benefits. The assumption of perfectly competitive bidding behavior may be reasonable for establishing a baseline, but it is counterintuitive, if not illogical, to view such assumption as resulting in a conservative estimate. Rather, such assumption would tend to overestimate benefits. Further information is requested to better understand the conclusion reached on this point.

**2. Please organize comments on the study on the following topic areas:**

- a. The 50% renewable portfolios in 2030**
- b. The assumed regional market footprint in 2020 and 2030**
- c. The electricity system (production simulation) modeling**
- d. The reliability benefits and integration of renewable energy resources**
- e. The economic analysis**
- f. The environmental and environmental justice analysis**

Comment:

**3. Other**

Comment: