

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the Clean Energy and Pollution Reduction Act Senate Bill 350 (SB350) Study initiative posted on May 20, 2016.

Please submit comments to 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?
<p>Comment:</p>
2. Please organize comments on the study on the following topic areas: <ol style="list-style-type: none"> 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
<p>Comment:</p> <p>The assumed regional market footprint in 2020 and 2030 - PacifiCorp believes the California customer savings indicated in the SB 350 Regional Market Study preliminary results are reasonable and are in line with the results the October 2015 benefits study commissioned by PacifiCorp to determine if there were sufficient gross benefits to support exploration of regional integration.</p> <p>The October 2015 study was based on 2024 and 2030 test years assuming a CAISO-PAC only integration. These test years were selected to assess potential short-term and long-term benefits and based on dates when changes in RPS, load growth, and supply needs would have impacts on regional integration benefits. For example, the California RPS increase from 33% to 40% in 2024 and to 50% in 2030 is expected to impact over-generation management and renewable resource procurement. PacifiCorp’s resource plan scenarios project new resource requirements between 2024 and 2028.</p> <p><u>2020 vs 2024 PAC-CAISO integration</u></p> <p>The October 2015 study indicated a \$92 million savings for California customers in 2024 which included \$31 million in over-generation management benefits due to the 7% increase in the California RPS. The remaining \$61 million in California customer savings were attributed to lower capacity needs to meet a diverse coincident system peak. The SB 350 Regional Market Study preliminary results indicating \$55 million savings for California customers in 2020 for a CAISO-PAC only integration aligns with the October 2015 study results of \$61 million of California customer savings in 2024 as peak capacity savings could increase over three additional years of integration and over-generation management benefits would not be expected (incremental to EIM) until 2024 when the California RPS increases.</p>

2030 PAC-CAISO integration vs 2030 Western Interconnection integration:

The October 2015 study results, based on a PAC-CAISO integration, indicate up to \$894 million savings for California customers with \$691 million attributable to regional renewable procurement savings. These results align well with the SB 350 Regional Market Study preliminary results of \$1 billion to \$1.5 billion savings for California customers with \$680 to \$799 million attributable to renewable procurement savings given the larger, more diverse Western interconnection integration for the SB 350 studies versus the CAISO-PAC only integration used in the October 2015 studies.

Comment:

The environmental and environmental justice analysis - The SB 350 Regional Market Study preliminary results show significant WECC-wide electricity sector CO₂ emissions reductions between 2020 and 2030 with a very slight increase in 2020. This significant decrease in CO₂ emissions is incremental to overall CO₂ emissions trends in the West which are being driven primarily by coal plant retirements, increases in renewable portfolio standard requirements, and lower-cost renewable generation. Energy market regionalization is seen by many, including nationally prominent environmental advocates, as key to greater and lower-cost integration of renewables and enabling the West to meet its clean energy goals. As demonstrated by the SB 350 Regional Market Study preliminary results, regionalization holds significant promise for integrating increased quantities of renewables more efficiently. Focusing on the potential for tiny incremental increases in CO₂ emissions in the near-term while ignoring the long-term financial and environmental benefits of regionalization is both short-sighted and counter-productive. PacifiCorp recommends that the SB 350 study results report for the California legislature clearly place any de minimis increase in CO₂ emissions in this broader context to soundly rebut any implication that regionalization does not hold promise for significant reductions in WECC-wide CO₂ emissions over time.

3. Other

Comment: