

Comments of XO Energy CA, LP regarding Annual Policy Initiatives Roadmap Process Straw Proposal

Submitted By	Companies	Date Submitted
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XO Energy CAL, LP (“XO Energy”) appreciates the opportunity to comment on the Annual Policy Initiatives Roadmap Process Straw Proposal dated July 18, 2017 (the “Straw Proposal”). While XO Energy is generally supportive of the California Independent System Operator Corporation’s (“CAISO”) proposed changes to the catalog and roadmap process, we are concerned that stakeholder participation in the prioritization of initiatives will be unduly restricted and that the level of transparency surrounding this process may become opaque without the inclusion of certain specific guidelines, as further described below. Further, XO Energy fully supports the comments of even date herewith submitted by Carrie Bentley of Resero Consulting on behalf of the Western Power Trading Forum (“WPTF”).

1. While XO Energy Supports Certain Proposed Changes to the Catalog and Roadmap Process, XO Energy is Concerned that Stakeholder Participation in the Prioritization Process will be Unduly Restricted

XO Energy supports certain aspects of the proposed changes to the catalog and roadmap process, namely, the update of the catalog twice a year, the ability of stakeholders to submit new initiative requests throughout the year using a template provided by CAISO, and the dissemination of an annual policy initiative roadmap as well as a three-year policy roadmap. These enhancements should foster more comprehensive and timely stakeholder input over the course of the respective roadmap periods.

While these changes are constructive, it is unclear how stakeholders will participate in the prioritization of the various initiatives. The ranking process, while arguably flawed, afforded stakeholders the opportunity to express their support or justification for certain initiatives. Without a replacement for this mechanism, CAISO will summarily be granted the discretion to develop the roadmap and determine which comments it chooses to consider. XO Energy strongly contends that stakeholders’ direct participation in the prioritization process continues to be integral to fostering a collaborative balance between CAISO and its participants.

On a related note, CAISO has indicated that roadmaps will include “an explanation of the CAISO’s rationale for undertaking each initiative,” including a “cost/benefit analysis and implementation considerations.” XO Energy strongly supports the written communication of the aforementioned analyses as a minimum requirement, to be expanded to include any other material details. Furthermore, it is imperative that stakeholders not only be provided with the ability to

submit written comments, but, should CAISO make any changes to the roadmap based upon these comments, that the ISO provide stakeholders with a reasonably detailed written analysis supporting these changes.

2. Transparency is Critical to the Catalog and Roadmap Process

At a high level, a fully transparent catalog and roadmap process is critical. Transparency will foster constructive communication with CAISO and instill stakeholder confidence in the catalog and roadmap process.

XO Energy notes that CAISO's core values include integrity, teamwork, excellence, people focus and open communication.¹ Furthermore, in response to FERC Docket No. AD14-14-000, CAISO highlighted the importance of improved transparency to both its customers and market participants.² The steps that CAISO has proposed during the catalog and roadmap process appear to be moving away from the concepts of transparency and active stakeholder input, while the Federal Energy Regulatory Commission is moving closer to them.

XO Energy welcomes the opportunity to work with CAISO to develop a catalog and roadmap process that supports stakeholders' direct participation in the prioritization process while increasing the level of transparency surrounding CAISO's decision-making methods.

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If you have further questions or would like to discuss these comments, please do not hesitate to contact Carey Drangula at (610) 400-3344 or cdrangula@xo-energy.com.

Dated: August 8, 2017.

¹ California Independent System Operator. *Code of Conduct & Ethical Principles* at 4 (June 2016), available at <http://www.caiso.com/Documents/CodeConduct.pdf>.

² *Price Formation in Energy and Ancillary Services Markets Operated by Regional Transmission Organizations and Independent System Operators*, California Independent System Operator Corporation, Docket No. AD14-14-000 (filed March 4, 2016).