



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

October 27, 2016

***Via Electronic Submission:*** [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com)

California ISO  
P.O. Box 639014  
Folsom, CA 95630

Dear Board of Governors and Executive Management Team:

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on the California ISO's October 13, 2016 workshop and discussion of the Regional Integration California Greenhouse Gas Compliance initiative. BPA is closely following both this CAISO initiative and the California Air Resource Board's (ARB) August 2, 2016 Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms. BPA supports the accurate accounting of greenhouse gases and appreciates the complexities around resolving the GHG accounting issues resulting from the CAISO EIM cost optimization algorithm. BPA continues to encourage the CAISO and ARB to jointly develop a long-term solution that will resolve these issues.

At the October 13<sup>th</sup> workshop, the CAISO presented three options for resolving the EIM-related GHG accounting issues. Out of these options, option 2 is the option that comes the closest to accurately and equitably attributing greenhouse gas compliance costs. BPA understands that the CAISO believes option 2 to be currently computationally infeasible. Nonetheless, BPA urges the CAISO to continue to pursue this option and consider implementing it if and when it becomes feasible. If the CAISO continues to explore option 3 as the short-term solution, BPA looks forward to additional analysis and discussion of the option.

Feel free to contact me if you have questions regarding BPA's comments.

Sincerely,

A handwritten signature in black ink that reads "Alisa Kaseweter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alisa Kaseweter  
Climate Change Specialist, Corporate Strategy