

## Submit comment on draft summary report

Initiative: Assembly Concurrent Resolution 188

The ISO values stakeholder input on this preliminary draft, and plans to incorporate feedback received during the January 20 stakeholder call, and in written comments submitted by the deadline on February 3, into future iterations to ensure the accuracy and value of the final report. Please submit written comments to [infoACR188@caiso.com](mailto:infoACR188@caiso.com).

### Submitter information

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- 1. Provide a summary of your organization's comments on the draft summary report and January 20, 2023 stakeholder call discussion:**

The LADWP appreciates the opportunity to provide comments on the draft report. LADWP recommends only minor changes to help maintain the balanced approach of the report in contemplating a range of possible regional cooperation scenarios.

- 2. Provide your organization's comments on the regional cooperation efforts in the West, as described in section 2 of the draft report:**

In Section 2.2.2. of the report, "CAISO-Operated Extended Day Ahead Market (EDAM)"  
The LADWP recommends modifying the last sentence from:

*"The RTO's economic dispatch software combines inputs for the next day into a globally optimized solution for each operating hour."*

To read

*"The Market Operator's economic dispatch software combines inputs for the next day into a globally optimized solution for each operating hour."*

This minor revision helps to maintain the neutral applicability of economic dispatch software to any scenario regional of regional cooperation.

- 3. Provide your organization's comments on the literature included in the review, as described in section 3 of the draft report:**

No comment at this time

**4. Provide your organization’s comments on the annotated summary of the literature, as described in section 4 of the draft report:**

No comment at this time

**5. Provide your organization’s comments on SB 100 and relevant updates, as described in section 5 of the draft report:**

No comment at this time

**6. Provide any additional comments on the draft summary report and January 20, 2023 stakeholder call discussion:**

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on expanding regional cooperation, pursuant to Assembly Concurrent Resolution 188 and the corresponding draft summary report “Impacts of Expanding Regional Cooperation on California and the Western Grid” dated January 13, 2023. As a Balancing Authority (BA), LADWP has a direct interest in how such regional cooperation is established in California and the Western Grid to ensure that it does not result in negative or unintended impacts on its operations or ratepayers. LADWP also appreciates the point made in the summary report that regional cooperation can include voluntary markets that provide significant benefits to the California Independent System Operator (CAISO), yet do not trigger additional challenges that result from a full Regional Transmission Organization (RTO) structure where operational control is reassigned to the RTO and results in direct negative impacts to individual BAs, like LADWP.

LADWP has been an active partner to the CAISO helping California keep the lights on. LADWP has always participated in the wholesale energy market within the Western Electricity Coordinating Council (WECC) area, increasing our regional market footprint in April 2021 when we joined the Western Energy Imbalance Market (WEIM), and is actively collaborating with CAISO and other western entities in the formation of the Extended Day-Ahead Market (EDAM). At this same time, LADWP is aggressively charting the path through investments and infrastructure upgrades to reach 100 percent renewable energy (*LA100 Study* and *LADWP’s Strategic Long-Term Resource Plan*) ahead of the California mandated target dates.

Going forward, the following five principles will guide LADWP’s evaluation of the various regional cooperation proposals:

**Principle # 1: Participation by LADWP Must be Voluntary, Not Mandatory**

- Participation in a regional entity of any kind must remain a voluntary choice
- Preserve independence to ensure continued compliance with clean energy mandates and regulations

### **Principle #2: Keeps Rates Competitive with Clear Benefits to LA Ratepayers**

- Since 46% of LADWP residential accounts (representing 54.2% of the City of LA population) are located within disadvantaged communities (*CalEnviroScreen 4.0* data, 2021), participation must protect LADWP ratepayers
- Provide lower costs and greater benefits to LADWP ratepayers
- Ensure fair allocation of costs for transmission projects to participants that benefit LADWP ratepayers
- Result in specific, customer-facing benefits greater than solely participating in the CAISO's Western Energy Imbalance Market and/or Extended Day Ahead Market
- Protect against direct access that will financially burden low-income ratepayers of publicly owned electric utilities

### **Principle #3: Maintains Electric Service Reliability**

- Allow flexible participation so that LADWP can maximize and enhance operational and market benefits
- Improve grid reliability that supports LADWP's reliable operations

### **Principle #4: Helps Achieve the LA 100 Goals**

- Preserve the integrity of the City of LA's comprehensive decarbonization strategy as outlined in LADWP's LA100 Study and its Strategic Long-Term Resource Plan
- Enhance and support the City of LA's aggressive renewable energy goals

### **Principle #5: Protects Social Equity for Customers**

- Prioritize equity and environmental justice (EJ) for communities who stand to be the most impacted by the clean energy transition
- Produce equitable outcomes in terms of both benefits and burdens
- Continue to exercise environmental dispatch of generation assets to assure EJ communities are not unfairly burdened from power plant emissions

LADWP has a 100-year history of local governance, and keeping rates low and reliability high as a vertically integrated utility better able to control its costs and quality of service. LADWP planned and built its transmission system to provide access to diverse types of energy resources across a wide range of regional locations. As a result, LADWP's transmission system includes over 4,175 miles of overhead and underground circuits that are part of a vast transmission system spanning five Western states, with



both alternating current (AC) and direct current (DC). LADWP has the ability to directly import bulk power from the WECC area, including many states in the Western U.S., Canada and Mexico. The investments that enable LADWP to do so were paid for exclusively by LADWP ratepayers.