

## 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 24, 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: It is unclear how much of an EIM footprint was assumed in the “current practice” case. Given the benefits of the EIM demonstrated to date, it is important to understand whether the comparison is to the current EIM footprint, the committed EIM footprint or something else. It is also unclear how the hurdle rates were used within the EIM footprint; please clarify whether the dispatch hurdle rates were removed within the EIM for the “current practice” case.

**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:

- a. No comment
- b. No comment
- c. As described in response to Question 1, it is important to understand how the hurdle rates were used in this analysis with respect to the EIM footprint. Please clarify whether the dispatch hurdle rates were removed within the EIM footprint in the “current practice” case.
- d. Peak agrees that upon implementation of a regional energy market, the Western Interconnection would achieve the reliability benefits described in Appendix E. It is important, however, to understand whether the benefits will be achieved by the implementation of the regional market itself or other practices and initiatives already underway. Peak would like to coordinate with California ISO to assure that anticipated roles or initiatives described in these benefits are coordinated and not duplicative of initiatives underway at Peak. Peak believes that some of these reliability benefits are either completely or partially achieved by California ISO or Peak Reliability in the current structure or by initiatives already underway at either California ISO or Peak Reliability. Specifically:
  - 2 – Congestion Management and 3 – Unscheduled Flow Management – Peak agrees that the regional market will improve congestion management within the market footprint with automated, market based security constrained economic dispatch as described. In addition, Peak is currently developing the Enhanced Curtailment Calculator (ECC), which will provide an interconnection-wide tool for congestion management. The ECC is also planned to include a future hour look-ahead capability and Interconnection-wide management of unscheduled flow. The ECC is expected to greatly improve congestion management in the Western

Interconnection prior to implementation of a regional market, and will continue to be an essential seams management tool between market footprints and the rest of the Western Interconnection.

- 5 – System Monitoring and visualization – Peak agrees that CAISO’s current system monitoring and visualization would be improved with a larger footprint. It is important to note, however that as CAISO examines the benefits of the implementation of the reliability benefit that many of these benefits already exist, regardless of a regional market. For example, Peak currently has real-time monitoring using SCADA on a wide-area basis, including State Estimation every minute, and Real-time Contingency Analysis every five minutes considering over 8,000 contingencies. CAISO and Peak both have 24-hour shift engineer coverage, voltage stability analysis, and large wallboards. Peak and CAISO are both working to implement transient stability analysis tools on a real-time, consistent basis, regardless of the regional market. It is also unclear how much of this system monitoring and visualization is achieved by the EIM.
- 6 – Backup Capabilities – It is unclear whether these how the regional market would impact these capabilities. Peak understands that CAISO already has the capabilities described in the “ISO Practice” for its footprint. In addition, Peak also has those capabilities for monitoring the Western Interconnection.
- 7 – Operator Training - Peak understands that CAISO already has the capabilities described in the “ISO Practice,” with the exception of the regional live power system restoration drill. It is unclear whether CAISO intends that the regional market would be creating a regional system restoration drill associated with this initiative, separate from the existing regional drill that Peak performs annually and the training that CAISO hosts during JETS. Peak would note that the “Western Interconnection Operations/Standards Practice” is not accurate since Peak currently performs live regional system restoration drills, including simulation.
- 8 – Performance Monitoring – It is unclear whether CAISO anticipates a new daily process associated with the regional market or if they are currently doing this process. Peak is also developing daily review processes.
- 9 – Procedure Update – It is unclear whether CAISO anticipates a new process for annual reviews, drills and training associated with the regional market, whether CAISO already has these processes, or is already developing these processes independent of the regional market.
- 10 – Standard Development – It is unclear whether CAISO anticipates a new process for participation in standards development associated with the regional market, whether CAISO already has these processes, or is already developing these processes independent of the regional market. Peak participates in the standards development process, bringing its

unbiased, Interconnection-wide perspective to the process.

- 11 – NERC Compliance – Peak agrees that a regional balancing authority would have the benefit of consolidated compliance responsibilities, similar to how the single RC consolidates RC compliance responsibilities. It is unclear whether CAISO anticipates developing a regional Reserve Sharing Group separate from the consolidated Balancing Authority.

### **3. Other**

Comment:

Overall Peak supports the efforts to quantify and define the benefits of a regional market, and believes that the approach and analysis is comprehensive and generally reasonable. The next important step will be to quantify the costs associated with this level of regionalization.