



VIA ELECTRONIC SUBMISSION: INITIATIVECOMMENTS@CAISO.COM

CALIFORNIA INDEPENDENT SYSTEM OPERATOR
250 OUTCROPPING WAY
FOLSOM, CA 95630

October 27, 2016

To Whom It May Concern:

Please accept these comments on behalf of Seattle City Light regarding the Regional Integration California Greenhouse Gas Compliance Workshop Presentation and discussion on October 13, 2016.

Seattle City Light provides retail electrical service to over 415,000 residential, commercial, and industrial customers in the City of Seattle, Washington. City Light relies on hydroelectric resources for more than 90% of energy delivered to load. Meaningful action on carbon emission reductions is a critical issue, and we are proud to be greenhouse gas neutral since 2005.

Seattle City Light recognizes that accounting for the atmospheric effects of CAISO's least cost dispatch is a complicated matter requiring a balancing of interests, and we appreciate this opportunity to provide feedback.

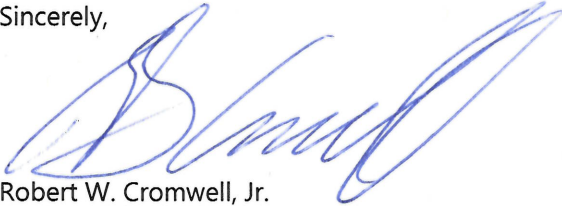
At the October 13, 2016 meeting, CAISO staff presented three options for accounting for greenhouse gas effects in the secondary dispatch. Of the options presented, Seattle City Light prefers Option #2, which would more accurately attribute carbon to the source at which it is produced. While CAISO staff indicated Option #2 is not computationally feasible at this time, City Light encourages CAISO to continue to explore this option, and any permutations that could exist. For example, a means to accomplish the same (or a similar) result by running two-step process after-the-fact to account for the greenhouse gas effects.

Seattle City Light does not support Option #3. While CAISO staff indicated that this option could be implemented more easily, it is overly simplistic and does not create a satisfactory result. This option would improperly discriminate against resources outside of California. In addition to distorting the market, this would reduce the incentives for zero-emitting resources to participate in the EIM or the other CAISO markets, and could have the unintentional impact of increasing emissions by penalizing low- and zero-emitting resources. At a minimum, zero emitting resources should be excluded from application of the hurdle rate.

While CARB seeks a near-term solution, a short time frame given for resolving this issue should not act as the determining factor as to which solution is selected for the long-term. If a near-term fix is needed, it might make sense to implement a short-term solution on an interim basis while stakeholders develop a methodology that more rationally and accurately determines and assigns greenhouse gas effects.

Thank you for this opportunity to comment. We look forward to receiving additional detail on these matters in the straw proposal and subsequent meetings.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Cromwell, Jr.", written in a cursive style.

Robert W. Cromwell, Jr.
Director, Regional Affairs & Contracts