

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Jason Smith President (602) 250-2668 jason.smith@transcanyon.com Bob Smith Vice President, Transmission Planning & Development (602) 371-6909 robert.smith@transcanyon.com	TransCanyon, LLC	February 19, 2016

Please use this template to provide written comments on the Clean Energy and Pollution Reduction Act Senate Bill 350 Study initiative posted on February 4, 2016.

Please submit comments to regionalintegration@caiso.com by close of business
February 19, 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 initiative proposal.

TransCanyon, LLC (“TransCanyon”) appreciates the opportunity to provide these comments on the California Independent System Operator’s (“CAISO”) Clean Energy and Pollution Reduction Act Senate Bill 350 Study Scope, Assumptions and Methodology. TransCanyon supports CAISO’s efforts to assess the impacts of a regional market.

1. Do you think the proposed study framework meets the intent of the studies required by SB350? If no, what additional study areas do you believe need to be included and why?

<p>Comment:</p> <p>Yes, the proposed study framework meets the intent of the studies required by SB350. The impacts to be analyzed and associated metrics identified in the analytical framework and work flow in the proposed study approach sufficiently address the requirements.</p>
<p>2. Five separate 50% renewable portfolios are being proposed for 2030 as plausible scenarios for the purpose of assessing the potential benefits of a regional market. Are these portfolios reasonable for that purpose, and if no, why?</p>
<p>Comment:</p> <p>The five 50% renewable portfolios are reasonable for assessing the potential benefits of a regional market and the impact of export capability assumptions for the Business-as-Usual case. The scenarios underlying each portfolio adequately model potential market designs for a regional market.</p>
<p>3. To develop the five renewable portfolios the RESOLVE model makes a number of assumptions resulting in a mix of renewable and integration resources for the scenario analysis (rooftop solar, storage, retirements, out of state resources etc.) Do you think the assumptions associated with developing the renewable portfolios are plausible? If no, why not?</p>
<p>Comment:</p> <p>The assumptions used by the RESOLVE model are plausible and reflect current understanding of market conditions, as many inputs are derived from other tools that have been vetted in public proceedings such as the CPUC RPS Calculator v6.1 and the CEC Integrated Energy Policy Report (IEPR).</p>
<p>4. The renewable portfolio analysis assumes certain costs and locations for the various renewable technologies. Do you think the assumptions are reasonable? If no, why not?</p>
<p>Comment:</p> <p>The assumptions for costs and locations of renewables are reasonable as they are sourced from Black & Veatch's dataset developed for the CPUC RPS Calculator and have been vetted through California regulatory proceedings.</p>
<p>5. The renewable portfolio analysis makes assumptions about the availability and quantity of out-of-state renewable energy credits ("RECs") to California. Do you think the assumptions are plausible? If no, why not?</p>

<p>Comment:</p> <p>TransCanyon does not currently have a view on the availability or quantity of renewable energy credits from out-of-state resources.</p>
<p>6. The renewable portfolio analysis makes assumptions about the ability to export surplus generation out of California (i.e., net-export assumptions). Do you think these assumptions are reasonable? If no, why not?</p>
<p>Comment:</p> <p>The three scenarios (Scenarios 1a, 1b and 1c) make reasonable assumptions about potential net-export limits. If the BAU Procurement case (Scenario 2) or WECC Procurement case (Scenario 3) is to model expansion only of the EIM, the 8000MW export limit assumption may be high.</p>
<p>7. Does Brattle’s approach for analysis of potential impact on California ratepayers omit any category of potential impact that should be included? If so, what else should be included?</p>
<p>Comment:</p> <p>TransCanyon is not aware of any potential impacts to California ratepayers that are omitted.</p>
<p>8. Are the methodology and assumptions to estimate the potential impact on California ratepayers reasonable? If not, please explain.</p>
<p>Comment:</p> <p>TransCanyon believes the methodology and assumptions for estimating potential impacts on California ratepayers are reasonable.</p>
<p>9. The regional market benefits will be assessed based assuming a regional market footprint comprised of the U.S. portion of the Western Interconnection. Do you believe this is a reasonable assumption for the purpose of this study? If not, please explain.</p>
<p>Comment:</p> <p>The U.S. portion of the Western Interconnection is a plausible footprint for a regional market. Given the timeframe of this analysis, TransCanyon believes that it is also plausible that the expanded market footprint would not include the Pacific Northwest and in particular the Bonneville Power Administration service territory.</p>

10. For the purpose of the production cost simulations, Brattle proposes to use CEC carbon price forecasts for California and TEPPC policy cases to reflect carbon policy implementation in rest of WECC. Is this a reasonable approach? If not, please explain.

Comment:

Utilizing CEC carbon price forecasts for California and TEPPC policy cases is a reasonable approach.

11. BEAR will be using existing economic data, and generation and transmission data from E3, the CAISO, and Brattle. These data are currently being developed. Are there specific topics that you want to be sure to be addressed regarding these data?

Comment:

TransCanyon believes that the topics currently being considered in the development of economic, generation and transmission data are sufficient.

12. The economic analysis will focus on the electricity, transportation, and technology sectors to develop the economic estimates of employment, gross state product, personal income, enterprise income, and state tax revenue. These results will be further disaggregated by sector, occupation, and household income decile. Do you think these sectors are the appropriate ones on which to focus the job and economic impact analysis? If no, why?

Comment:

The electricity, transportation and technology sectors are appropriate areas of focus because they will be sectors most impacted by a regional market.

13. Under the proposed study framework, both economic and environmental impacts of disadvantaged communities will be studied. Based on the study overview do you think this satisfies the requirements of SB350?

Comment:

Yes, studying economic and environmental impacts of disadvantages communities satisfies the requirements of SB350.

14. The BEAR model will evaluate direct, indirect, and induced impacts to income and jobs, including those in disadvantaged communities. Do you think additional economic analysis is required? If yes, what additional analysis is needed and why?

<p>Comment:</p> <p>TransCanyon is not aware of additional economic analysis needed to meet requirements of SB350.</p>
<p>15. The environmental analysis will evaluate impacts to California and the west in five areas – air quality, GHG, land, biological, and water supply. Do you think additional environmental analysis is required? If yes, what additional analysis is needed and why?</p>
<p>Comment:</p> <p>TransCanyon is not aware of additional environmental analysis required to assess the impacts of a regional market.</p>
<p>16. The environmental analysis presentation identified a number of potential indicators for the various impacts. Are the indicators sufficient? If no, what additional indicators would you suggest?</p>
<p>Comment:</p> <p>The indicators presented are sufficient.</p>
<p>17. Other</p>
<p>Comment:</p> <p>As the process continues to unfold, stakeholder engagement and response to stakeholder input will be critical to thoroughly and accurately assess the impacts of a regional market under the requirements of SB350.</p> <p>The proposed timing of completion of the studies should be a consideration, as any transmission solutions identified as benefits for California and its ratepayers could take 8-10 years to develop after project approval and competitive selection of sponsor through the CAISO Transmission Planning Process.</p> <p>TransCanyon appreciates the opportunity to provide comments and supports the CAISO in its efforts to assess the impacts of a regional market.</p>