

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 April 25, 2016.

Please submit comments to 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.

TransCanyon, LLC (“TransCanyon”) appreciates the opportunity to participate as a stakeholder in the workshops held to review the CAISO SB350 Preliminary Benefits Study findings. TransCanyon thanks the CAISO for its open process and recognizes the significant efforts; the many assumptions and the detailed analysis performed by Brattle, E3, Aspen and BEAR. TransCanyon respectfully offers its comments on transmission development as they relate to the Preliminary Study Findings.

TransCanyon generally supports the preliminary findings of benefits for California ratepayers particularly the significant benefits derived from Scenario #3 and those benefits associated with future RPS resource procurement, system operations and transactions. More specifically, TransCanyon supports a balanced approach to renewable procurement, which includes both in-state and out of state renewable resources. As it relates to the out of state scenarios being considered, TransCanyon believes that this is an important component of an overall cost effective strategy for meeting California’s long term environmental and renewable policy goals.

TransCanyon has performed its own internal analysis which supports the SB350 study findings that viable scenarios exist which provide significant amounts of low cost resources which can be economically procured and reliably delivered (via new transmission facilities) from Wyoming and New Mexico. TransCanyon believes these out of state resource procurement scenarios, including certain required future transmission system additions, provide significant benefits to California ratepayers as shown in Scenario #3. In addition, TransCanyon believes there are other viable scenarios that provide significant benefits (to California and the wider region) that are not directly dependent on a fully functional and expanded WECC region-wide ISO footprint (i.e. smaller footprint).

While the SB350 Preliminary Study Reports provided specific dates (revenue requirement benefit dates of 2020, 2030), TransCanyon believes the benefits of low cost RPS resource procurement are only possible if decisions on resource procurement and the transmission facility development requirements are made in the relative near term. During the Preliminary Study Report results presentation and stakeholder discussion, Brattle indicated some sensitivity scenarios were performed indicating ratepayer benefits are possible for year 2025. Details of these 2025 study results were not provided in detail but appeared consistent with TransCanyon’s own internal analysis indicating procurement benefits may be enabled along with selected new transmission facility completions by 2026 or potentially earlier.

TransCanyon believes that in order to gain the potential benefits associated with these scenarios, there is an urgent need for the continued development, commitment to and construction of some selected transmission facilities. These facilities provide significant benefits to California ratepayers as shown in the CAISO preliminary study findings but also provide benefits to the wider WECC Region. Development, siting and construction of transmission facilities require many years of lead time along with significant investment and resources. TransCanyon encourages policy makers to complete further studies if required, establish the necessary resource portfolios and policies, including transmission system and delivery requirements necessary to enable efficient and timely procurement of low cost RPS resources to gain benefits identified for California.

In support of California and the CAISO's overall goals and objectives, TransCanyon recommends that new policy and processes be developed and implemented that support new resource identification and transmission plans resulting in efficient and cost effective projects being identified and being approved based on those projects providing multi-value benefits associated with improved system reliability, economics and achievement of policies for California and for the wider WECC region. From a resource and transmission planning perspective, as we have all seen, many more variables exist today which makes it hard to forecast with any certainty a planning, solicitation and award process to deliver transmission solutions for customers. This applies even more so for solutions having regional footprints and benefits, and thus more planning variables to address. For the CAISO and for the wider region, focusing on a portfolio of benefits for each given project will lead to better project identification, scoping, optimizing and more efficient grid planning and expansion.

TransCanyon respectfully submits its comments and fully understands the scope of the CAISO SB350 benefits study scope conducted was limited to requirements specified under California SB350 and is only an assessment of benefits and impacts to California ratepayers for WECC wide regional ISO expansion. The study also identified potential benefits to other participants that would comprise a WECC wide regional ISO but these benefits were not quantified in this study scope.