

**Comments of the Balancing Authority of Northern California
and the
Los Angeles Department of Water and Power**

The Balancing Authority of Northern California (BANC) and the Los Angeles Department of Water and Power (LADWP) appreciate the opportunity to provide brief and general comments on the stakeholder initiative created to respond to the recommendations contained in Assembly Concurrent Resolution 188 (Holden)¹ to develop a report on Western regional market developments, and to assemble the latest information to inform the Legislature on this matter.

BANC and LADWP support the process initiated by the CAISO and appreciate the collaborative approach developed by the CAISO as envisioned by ACR 188.² BANC and LADWP agree that given the prominence and profile of regional market issues, a public process as set forth by the CAISO, with regular consultation with stakeholders, is appropriate. BANC and LADWP further agree with the CAISO that engaging a third-party author provides a level of independence to the report, and that the National Renewable Energy Laboratory (“NREL”) is an excellent choice as lead author.

The list of studies provided during the public kick-off meeting is daunting. Anyone who is concerned that there is a lack of empirical analysis on regional markets should be comforted that there has been, indeed, quite a bit of study. We anticipate a key challenge will be to narrow down the list to a digestible group of core studies.

In response to a question from a stakeholder during the recent public meeting, NREL suggested that its role would not be limited to a simple regurgitation of study results, but provide a qualitative assessment and commentary as well. BANC and LADWP support the approach.

In closing, we look forward to our continued collaboration on this important report and appreciate the work that the CAISO has undertaken to spearhead this effort.

¹ *Assembly Concurrent Resolution 188*, Chapter 138 (Filed August 19, 2022).

² ACR 188 states in part: “the Legislature requests that by February 28, 2023, the Independent System Operator, in consultation with the California balancing authorities, produce a report that summarizes recent relevant studies on the impacts of expanded regional cooperation on California and identifies key issues that will most effectively advance the state’s energy and environmental goals, including any available studies that reflect the impact of regionalization on transmission costs and reliability for California ratepayers.