

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 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.

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?

Comment:

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?

Comment:

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?

Comment:

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?

Comment:

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?

Comment:

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?

Comment:

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?

Comment:

8. Are the methodology and assumptions to estimate the potential impact on California ratepayers reasonable? If not, please explain.

Comment:

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.

Comment:

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:

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:

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:

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:

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?

Comment:

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?

Comment:

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?

Comment:

17. Other**Comment:**

BPA appreciates the ability to participate in these important conversations and is considering these developments carefully. Any single regional grid planning or commercial transmission assumption can have significant impacts on the resulting business case that the western interconnection may build upon as the base for continued analysis. BPA urges California to take a careful look at the costs and benefits of the scenarios it considers. For example, assuming that exports of oversupply are limited to the maximum historical amounts as the ‘business as usual’ case proposes clearly understates the ability of existing transmission facilities and policies to assist California in reducing its potential oversupply issues from new renewable generation. Existing facilities can support exports of energy from California to the Northwest in amounts beyond the maximum historical amounts. On the commercial side, developing an assessment of pancaked transmission costs for excess California energy would be a more realistic assessment of the costs for limiting oversupply for systems that are not part of the ISO-controlled market. The existing transmission tariffs of neighboring BAs could be used to develop the increasing amounts of pancaked transmission costs as the energy moves farther afield from the ISO-controlled market. In developing an assessment of the benefits to California, the studies need to recognize that systems outside the ISO market can address oversupply issues and would actually provide revenues for California ratepayers from existing ISO export fees to recover the cost of California’s existing transmission system when supporting the movement of oversupply energy out of the state.