

## 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](mailto: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: CDWR believes studies need to include the ability of existing wholesale “demand response” providers to participate in both Day-ahead and Real-time markets; including the ability to bid load increases in Real-time. This participation could greatly reduce the issue of over-generation, could be accomplished with existing in-state resources, and could reduce the need for additional transmission capacity.

CDWR is concerned that by looking at California ratepayers as a whole, the benefits to any particular group of ratepayers, such as the customers of the State Water Project, will not be apparent. CDWR would find more value in a study with more granular results that show how benefits of regionalization would accrue to different groups of ratepayers.

Studies should include the effects of major market enhancements that are underway, such as the Flexible Ramping Product, and their ability to economically address challenges with increased renewables.

It will be important to clearly delineate the additional value of regionalization from that which is could already be achievable through alternatives such as the EIM.

**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: At this time CDWR does not have a comment on this question.

**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: CDWR believes the availability of in-state wholesale demand response in both the Day-ahead and Real-time markets is an important consideration when developing mixes of renewable and integration resources and should be included in the development of these potential renewable portfolios.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

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

Comment: CDWR is concerned that by looking at California ratepayers as a whole, the benefits to any particular group of ratepayers, such as the customers of the State Water Project, will not be apparent. CDWR would find more value in a study with more granular results that show how benefits of regionalization would accrue to different groups of ratepayers.

**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: This assumption seems reasonable.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**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: At this time CDWR does not have a comment on this question.

**17. Other**

Comment: CDWR is concerned that the schedule for these studies is severely compressed for a project and scope of this magnitude. The potentially historic endeavor of regionalizing the West requires a more methodical approach to allow for adequately thoughtful analysis.