

**California Department of Water Resources State Water Project's  
Comments to the California Independent System Operator  
on the Integration of Renewables Draft Report, dated September 2007**

**October 11, 2007**

The California Department of Water Resources - State Water Project (SWP) welcomes the opportunity to provide comments to the California Independent System Operator (CAISO) on its current draft of the Integration on Renewables Draft Report. The SWP looks forward to continuing its cooperative relationship with CAISO on the issues noted below.

As owner and operator of a number of large hydroelectric generating facilities and pumped-storage facilities, SWP has long supported the development of Renewable resources. SWP shares the concerns of California's Governor and Legislature that dependence on fossil-fired fuel generation has a range of adverse impacts, including fostering a reliance on foreign imports, unwanted environmental and human health effects, power market instability, and power supply unreliability. Consequently, SWP is committed to working independently, and with other State agencies, to develop and help implement strategies to increase the cost-effective use of renewable energy in California, consistent with State policy and the goals established by the Governor's Executive Order S-03-05 (which established greenhouse gas reduction goals for California).

The SWP does have concerns related to the possible expanded or altered use of SWP's hydroelectric generation and/or pumped-storage facilities to assist in the integration of renewable resources. Since, water management and delivery are the primary purpose of these facilities, generation and pumped-storage operations by these facilities are only available to the electric grid to the extent water management responsibilities permit. Further, SWP's facilities operate under a wide-range of unique operational and environmental constraints. Most of the SWP storage facilities serve multiple functions for storing water for prudent carryover reserves, controlling flood flows, providing recreation facilities, and regulating water deliveries to its water contractors, and some of these functions can conflict with the short term requirements of the electrical grid. In addition, there may be severe environmental restrictions in place during parts of the year which control the allowable flows through its facilities. In some years, water may be unavailable for pumped-storage operations. Consequently, any increased or altered use of SWP's facilities for integration of renewable resources may be extremely difficult.

SWP also confronts significant unknown constraints relating to recent environmental rulings. Recent court orders that restrict pumping from the delta to protect endangered fish have put both Federal and State operations in the delta into question. The SWP does not know how its operations could be affected, but it is clear that its previous assumptions and plans are going to have to change, and this will likely force it to modify its power operations in order to ensure the reliability of its water supply.

SWP believes its direct participation with CAISO is needed to meet the Storage and Integration goals for renewables. In general, SWP requests that the CAISO will need to talk directly to the hydroelectric operators and owners to assure that their needs and concerns are being addressed and met. This need for direct consultation with SWP is critically important given the unique and essential nature of SWP operations.

Please contact Charles Kearney, Chief of Resource Acquisition Section at (916) 574-0670 if you have any questions.