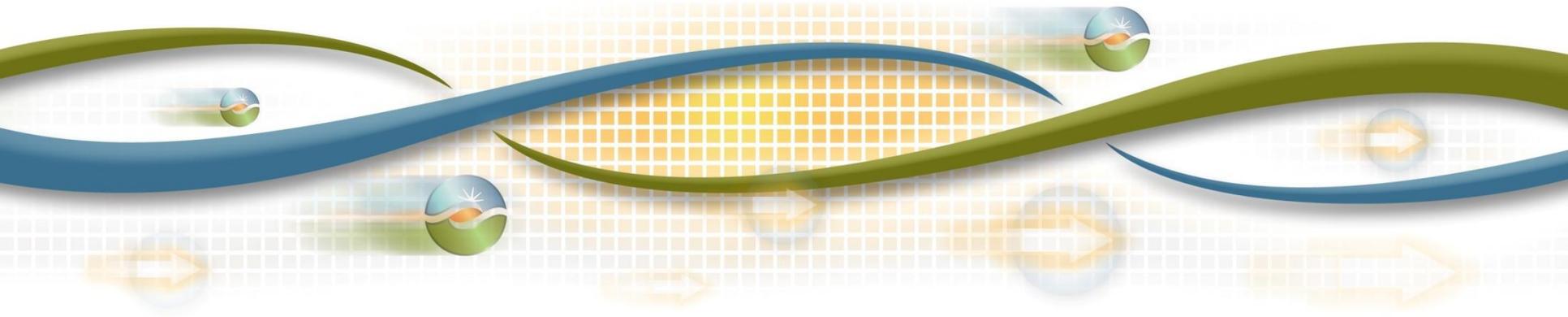


Regional Integration Update

November 15, 2016

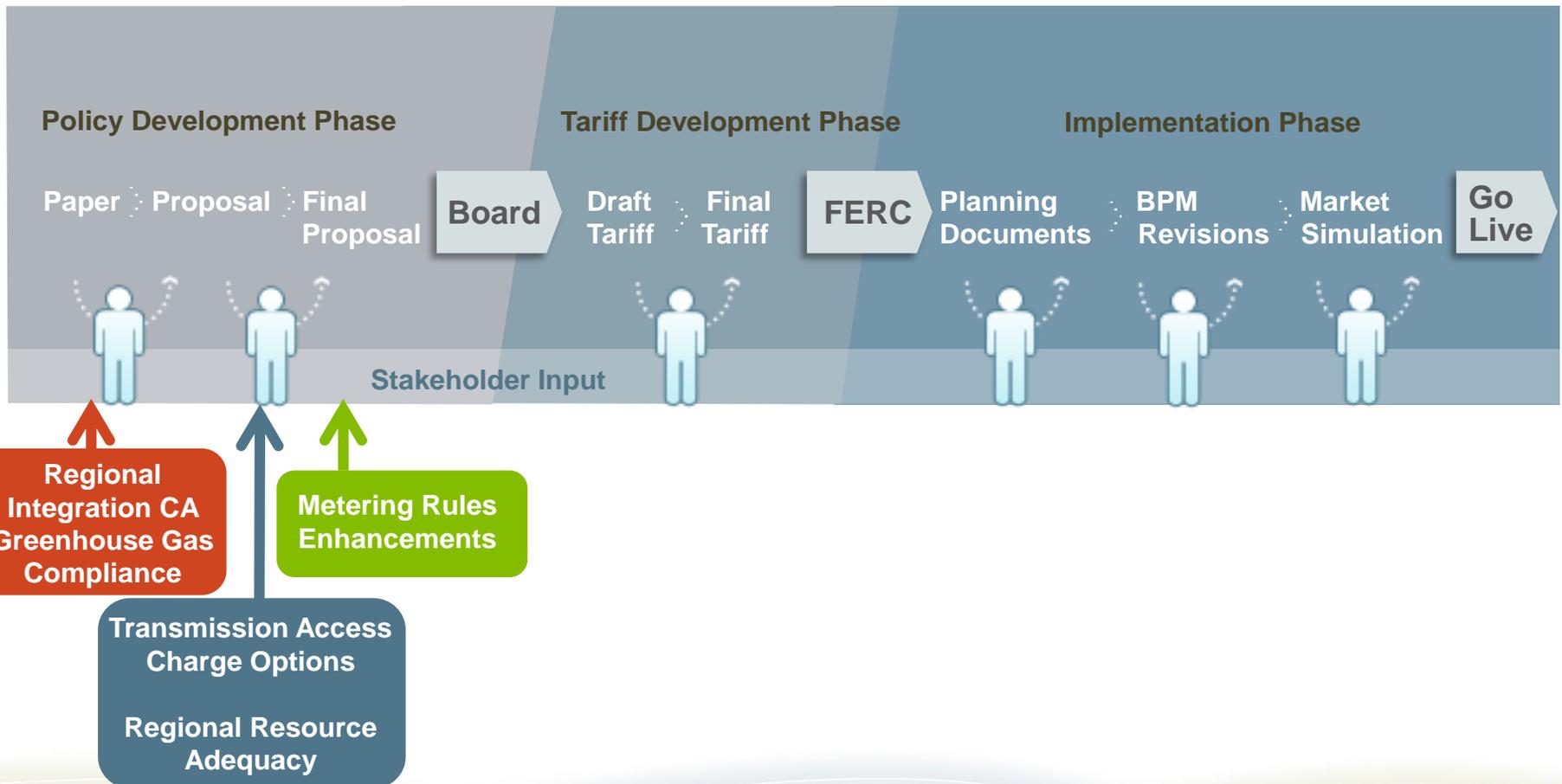


Agenda

Topics	Presenter
Stakeholder initiatives update	Virginia Thompson
SB350 update	Virginia Thompson
Online Resources	Kristina Osborne
Questions	

ISO Stakeholder Engagement Process

This diagram represents the typical process, often phases will run in parallel.



Legislation
Enacted

Develop
Governance
Plan

12
Months

Governor
Certifies

Transition
Period

36
Months

Bill Provisions

- Relinquishes state control over the ISO Board
- May include additional governance principles

Step One

Transitional Committee addresses governance issues, as specified

Step Two

Existing ISO Board gives “due deference” to Transitional Committee work and approves a regional governance plan

Step Three

Existing ISO Board seeks necessary approvals, such as from FERC

Certification Requirements

- Must comply with the state’s Regionalization Principles
- Must be in the best interest of California and ratepayers

Step One

Nominating Committee selects a slate of nominees for the new Regional ISO Board

Step Two

Western States Committee votes on slate of nominees as a whole (If slate is not approved, the Nominating Committee)

Regional ISO Board
Nine member independent body

Western States Committee
Provides input on matters of collective state interest
Primary Authority on certain issues (RA /TAC)

Current Stakeholder Initiatives - Regional

Transmission Access Charge Options

The current transmission access charge is a two-part rate for each megawatt hour of internal load and exports and is used to recover transmission revenue requirements. Revenue requirements for facilities rated 200 kV and above are recovered through a system-wide rate, while requirements for facilities rated below 200 kV are recovered via specific rates for each participating transmission owner. This initiative considers if the same structure would be appropriate should a transmission owner with a load service territory join the ISO as a participating transmission owner. This initiative began with an issue paper in late October 2015.

Upcoming activities:

- November 16 - ISO transmission planning workshop in Folsom, CA
 - Overview of Transmission Economic Assessment Methodology (TEAM)
- December 5 - ISO will post a Draft Final proposal
- December 13 – ISO will host a stakeholder meeting (Folsom, CA)

Audios of meetings and documents available at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/TransmissionAccessChargeOptions.aspx>

Note: These dates are tentative until confirmed by a market notice

Current Stakeholder Initiatives – Regional

Regional Resource Adequacy

This initiative evaluates whether the existing resource adequacy tariff provisions are appropriate for use in a regional ISO balancing authority area that encompasses multiple states. This initiative began with an issue paper in early December 2015.

Upcoming activities:

- December 1 - ISO will post a Draft Final proposal
- December 8 – ISO will host a stakeholder meeting (Folsom, CA)
- December 30 – stakeholder comments due on Draft Final

Current Stakeholder Initiatives – Regional

Greenhouse Gas Compliance

This initiative will determine how costs for generation to comply with California's greenhouse gas (GHG) regulations will be treated in the ISO's integrated forward market (IFM). The energy imbalance market currently has a methodology that enables generation resources to include GHG compliance costs in their offers to supply California load. Similar provisions must be developed for the IFM to address GHG compliance costs for new participating transmission owners outside of California. This initiative began in late August 2016.

Upcoming activities:

- November 17 – ISO will post a Straw Proposal
- December 1– ISO will host a stakeholder meeting (Folsom, CA)
- December 15 – stakeholder comments due on Straw Proposal

Audios of meetings and documents available at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/RegionalIntegrationCaliforniaGreenhouseGasCompliance.aspx>

Note: These dates are tentative until confirmed by a market notice

Current Stakeholder Initiatives – Regional

Metering Rules Enhancements

This initiative will review existing metering requirements and propose possible revisions to accommodate the growth in renewables, energy storage and distributed energy resources; technology advancements, developer interest in new and complex metering configurations; expansion of regional markets through the energy imbalance market; and, the potential integration of other balancing authority areas into the ISO balancing authority area.

Upcoming activities:

- November 17 - stakeholder comments due on Revised Draft Final
 - Revised Draft Final Proposal & attachments posted on 11/1/16 and meeting held on 11/10/16
 - Comments template is available at link below

<http://www.caiso.com/informed/Pages/StakeholderProcesses/MeteringRulesEnhancements.aspx>

Note: These dates are tentative until confirmed by a market notice

SB 350 update on upcoming activities

Study Work:

SB 350 study work is complete and was submitted to Governor Brown (CA) on September 15, 2016.

Data and information related to the Senate Bill 350 studies are available directly on the ISO's [Regional Energy Market](#) webpage.

See submitted comments on CEC website at:

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=16-RGO-01>

Market notice regarding SB 350 Studies Package Sent to Governor:

<http://www.caiso.com/Documents/SB350StudiesCompleted-Sent-Governor.html>

SB 350 governance modifications

Governance Work:

A 2nd Revised Proposal for Principles for Governance of a Regional ISO and a discussion paper on Potential Topics within the Primary Authority of the Western States Committee were presented on October 17 at a CEC workshop in Sacramento

Upcoming activities:

- ISO plans to publish Draft Final Proposal on Principles for Governance of a Regional ISO and on the framework for Potential Topics within the Primary Authority of the Western States Committee before the end of the year

For more information and audio recordings of past meetings, visit the CEC website at:

http://www.energy.ca.gov/sb350/regional_grid/documents/index.html

Additional information is also available on the ISO website at:

<http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=468800D9-7E24-4CDE-8E3F-9D1ACD2376B7>

Note: These dates are tentative until confirmed by a market notice

Stakeholder initiative milestone document

Stakeholders can access the ISO's stakeholder initiative milestone document, updated weekly, for any changes to initiative dates (for all ISO initiatives).

		Oct 2016				
	Initiatives	Paper Published	Meeting/call	Comments Due	Training or Workshop	ISO Files Tariff Language
Regional Integration	Regional Integration California Greenhouse Gas Compliance			27	13	
	Metering Rules Enhancements					
	Regional Resource Adequacy		6	27		
	Transmission Access Charge Options		7	28		

<http://www.caiso.com/Documents/StakeholderInitiativeMilestones.pdf>

Online Resources

Regional Integration Resources on the ISO Website:

www.caiso.com

Regional energy market webpage

<http://www.caiso.com/informed/Pages/RegionalEnergyMarket/BenefitsofaRegionalEnergyMarket.aspx>

Stakeholder processes webpage

<http://www.caiso.com/informed/Pages/StakeholderProcesses/Default.aspx>

Stakeholder initiative milestone document

<http://www.caiso.com/Documents/StakeholderInitiativeMilestones.pdf>

ISO public calendar

<http://www.caiso.com/Pages/Calendar.aspx?IsDlg=true>

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Please send questions and topic suggestions to
Regionalintegration@caiso.com

Join us for the next regional integration update on December 6, 2016. (See calendar on ISO's website for web conference details.)