



Briefing on California Assembly Bill 813: *Transitioning to a Multistate Regional Transmission System Organization*

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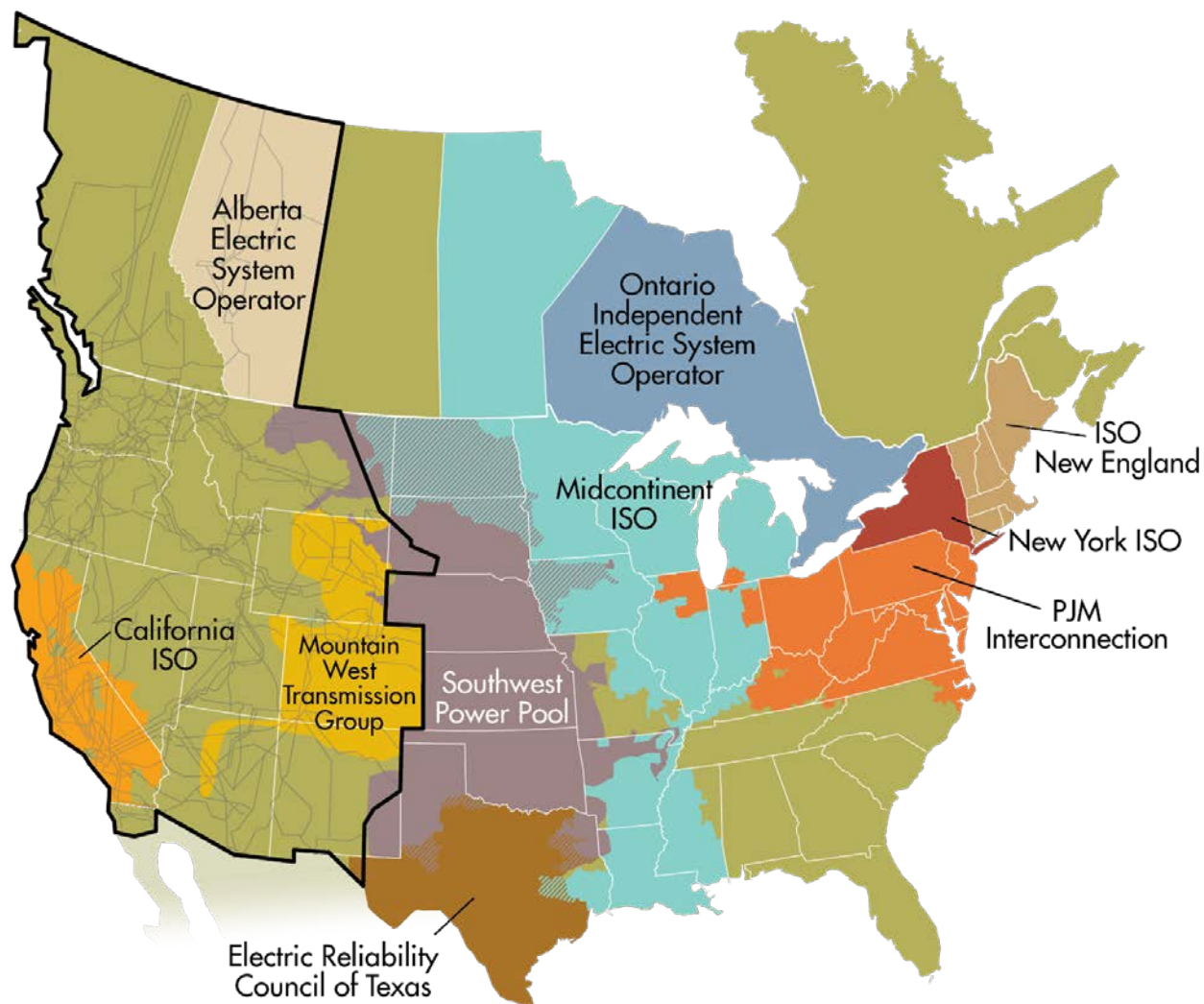
Vice President, Regional and Federal Affairs

Legislative Committee on Energy

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Agenda Item V A-2 (Energy) Meeting Date: 04-18-18
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Today's Electric Grid



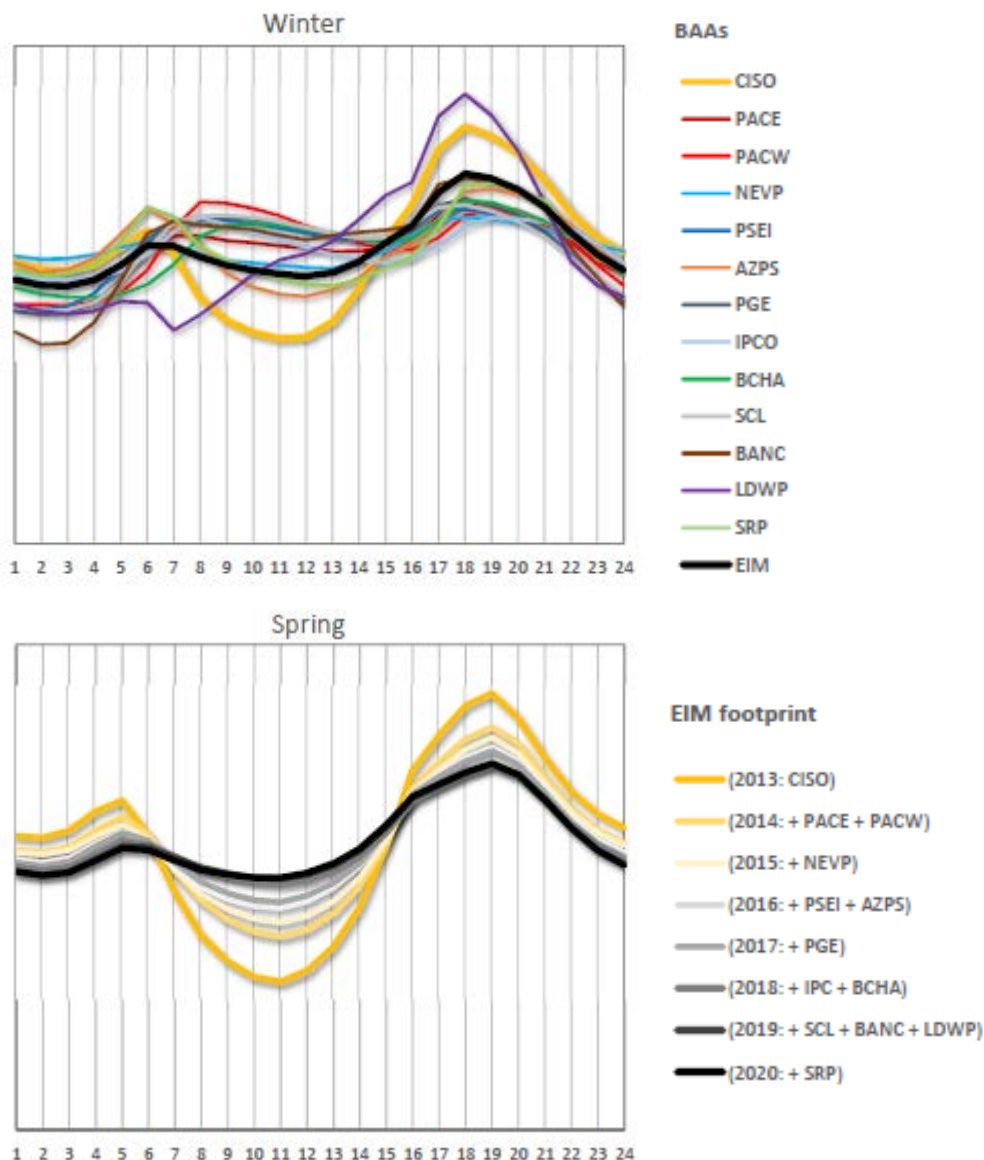
The California ISO is one of nine independent grid operators in North America

- One of 38 balancing authorities in the western interconnection
- Uses advanced technology to balance supply and demand every four seconds
- Operates markets for wholesale electricity and reserves
- Manages new power plant interconnections
- Plans grid expansions



Why a regional grid?

- Advanced technology
- More renewables on the system
- Load diversity across larger footprint
- Comprehensive transmission planning
- Lower costs
- More visibility on the system
- Open and transparent process
- Innovation

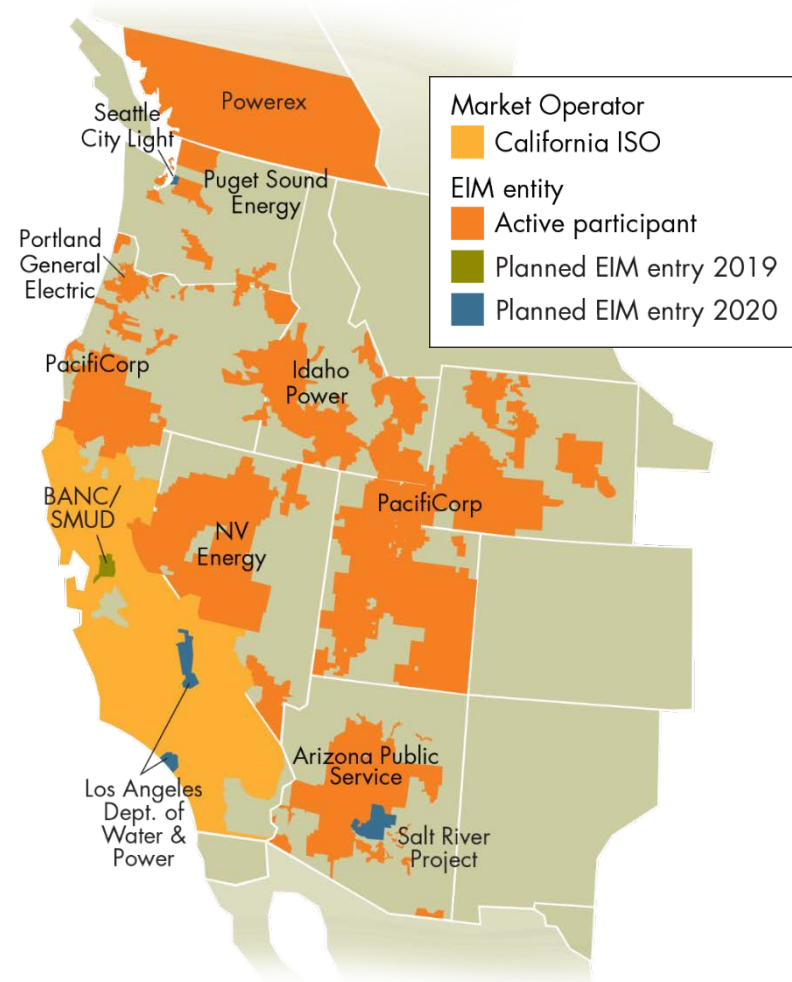


Two-thirds of the West is in or planning to join the EIM which has benefited all participants

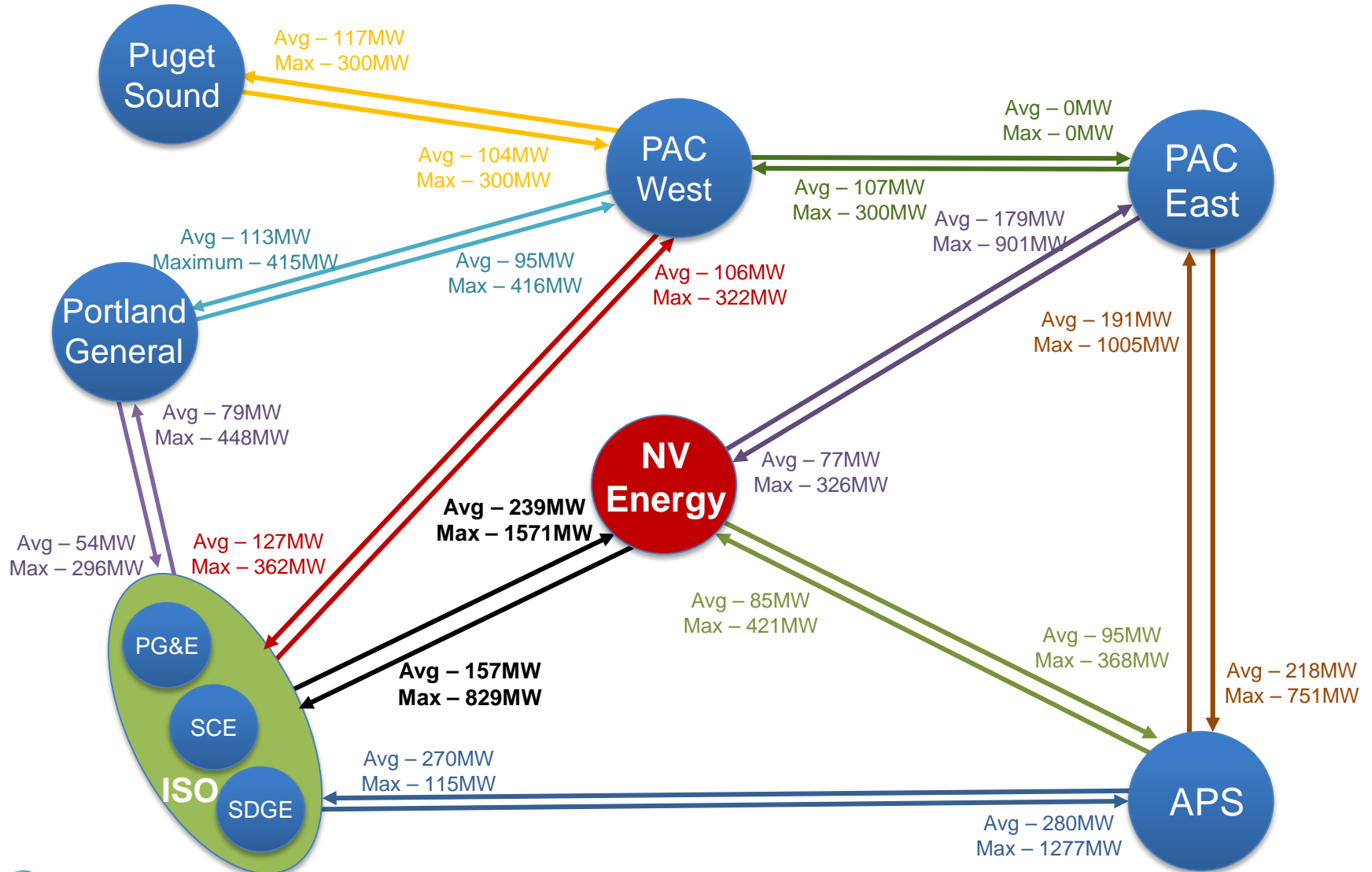
- Delegated authority to regional EIM Governing Body
- Enhances reliability, preserves BAA autonomy

BAA	2014	2015	2016	2017	Total
APS			5.98	34.56	40.54
CAISO	1.23	12.66	28.34	36.96	79.19
NVE		0.84	15.57	24.20	40.61
PAC	4.73	26.23	45.47	37.41	113.84
PGE				2.83	2.83
PSE			1.56	9.86	11.42
Total	5.96	39.73	96.92	144.96	\$ 288.44

Gross benefits in Millions \$



Robust energy transfers across EIM footprint



Process and discussion of regional grid takes robust engagement from the region

- The Clean Energy and Pollution Reduction Act of 2015 (SB 350) – began process for transformation of the ISO into a regional organization
- Stakeholder and State engagement on governance development started with Energy Imbalance Market and continued with development of principles for governance of a regional ISO

California Assembly Bill 813 – Multistate regional transmission system organization (RTO)

- AB 813 would:
 - allow a California utility or transmission owner from participating in an RTO, if certain requirements are met
 - authorize the ISO submit a governance proposal that complies with those requirements to the Energy Commission, who would review for compliance
 - and, with interest from western utility or transmission owners, would authorize the ISO to implement the proposal.

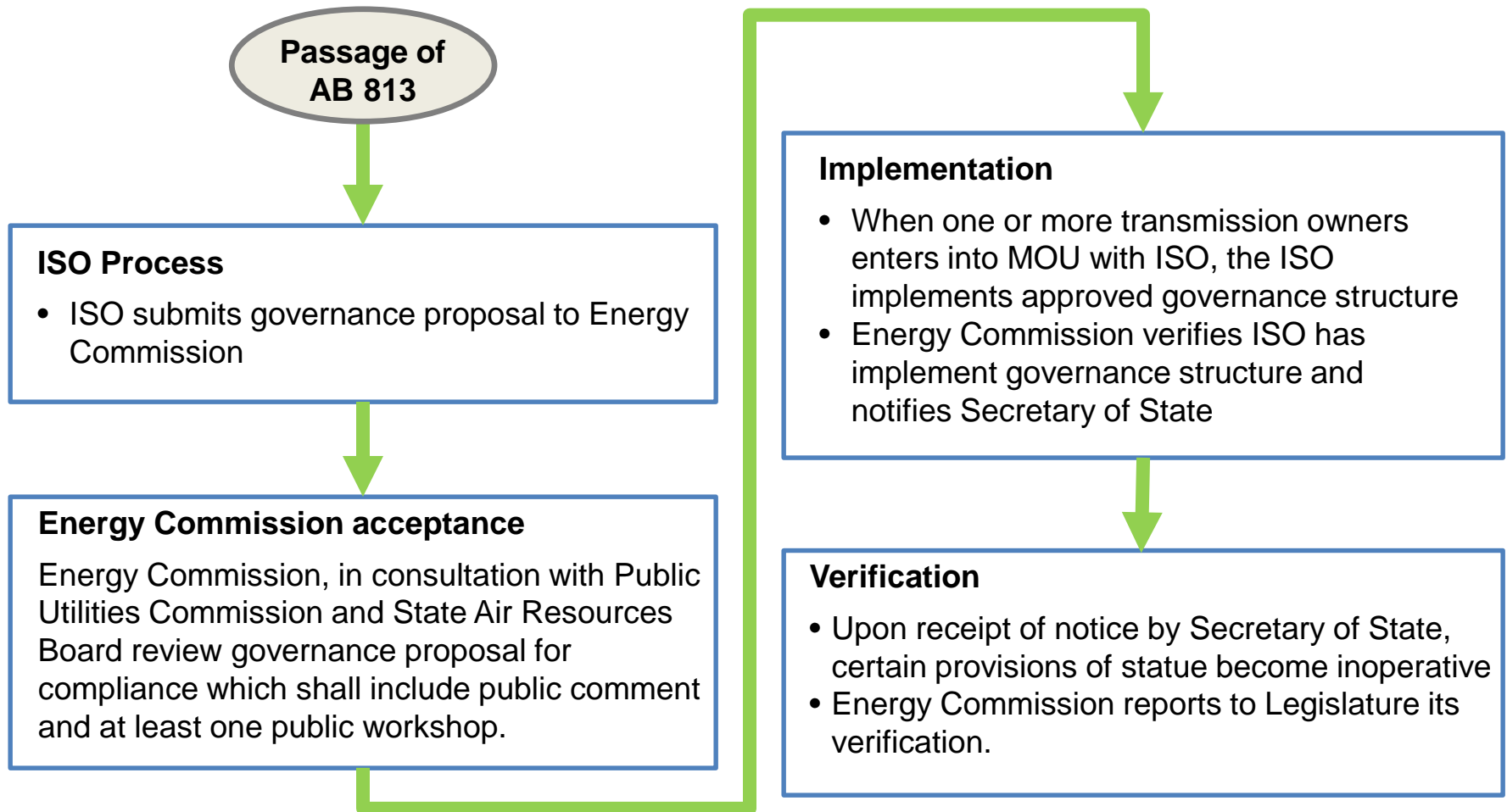
California AB 813: Requirements for participation in an RTO (1 of 2)

- The RTO's organizational documents shall do the following:
 - Provide for an independent board, free of conflicts
 - Provide for open meeting policies, public participation and access to information
 - Protect state's authority over matters regulated by the state
 - Require minimum resource adequacy standards be met
 - Prohibit central capacity market in California
 - Ensure the right to withdraw

California AB 813: Requirements for participation in an RTO (2 of 2)

- The RTO's organizational documents shall do the following:
 - Ensure dispatch of resources to serve California reflect the costs of compliance with it's GHG regulations, and maintain a system to track GHG to serve CA load.
 - Maintain equitable transmission cost allocation rules
 - Maintain an independent market monitor
 - Establish process for state regulators to collaborate and provide input
 - Enable participation of demand response, storage and other distributed energy resources in the market.

California AB 813: Process for ISO's transformation



The electric industry is evolving to respond to the needs of its consumers

- Growth of the western EIM resulted in a regional governance model that was designed by stakeholders
- New or expanded market opportunities are being developed to drive efficiency in a system with increased variable generation
- Nevada can realize benefits of competitive market solutions due to close proximity and robust transmission connections with the ISO.

Thank you



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