

Panelist Response to Question Raised at the September 14 IEPR Workshop Draft  
Renewable Power in California: Status and Issues

(Date: October 10, 2011)

1. From Stephen White: Carl mentioned the possibility of balancing authority area cooperation. To what extent are California parties will to seriously entertain the idea for both in-state and out-of-state regions?

Carl Zichella's response: The will to do this varies. Some utilities like PG&E import lots of power and see advantages. CAISO also recognizes the advantages and the recent San Diego black-out showed them the potential reliability penalty of not coordinating more closely. Lack of visibility of the neighboring BA systems complicated their recovery from the event that began in Arizona. FERC has moved to encourage this cooperation in several ways: adopting order 1000 which requires regional planning and cost allocation, and the upcoming variable energy integration (VER) rule. LADWP wants to avoid control by CAISO and so prefers to go it alone, despite operational and reliability benefits and the potential for reduced costs for ratepayers. Better in-state coordination will take leadership to require, from either the Governor or legislature. Interstate cooperation will only occur if California participates in efforts like the proposed WECC-wide regional Energy Imbalance Market, and encourages others to do so.