

---

**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**  
**Senator Ben Hueso, Chair**  
**2017 - 2018 Regular**

---

**Bill No:** AB 813 **Hearing Date:** 6/19/18  
**Author:** Holden  
**Version:** 6/12/2018 As Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Nidia Bautista

**SUBJECT:** Multistate regional transmission system organization: membership

**DIGEST:** This bill would delegate to the California Energy Commission (CEC) the ability to authorize the transformation of the California Independent System Operator (CAISO) into a multistate regional transmission system, if specified requirements are satisfied. This bill would prohibit a California electrical transmission facility owner, a retail seller of electricity, or a local publicly owned electric utility (POU) to join a multistate regional transmission system organization, if specified requirements are not met.

**ANALYSIS:**

Existing law:

- 1) Establishes that U.S. Federal Energy Regulatory Commission (FERC) as exclusive jurisdiction over the transmission of electric energy in interstate commerce. Also establishes the process and procedures for establishing transmission of electric energy in interstate commerce by public utilities, i.e., the rates, terms & conditions of interstate electric transmission by public utilities. (Federal Power Act §§201, 205, 206 (16 USC 824, 824d, 824e))
- 2) Sales of electric energy at wholesale in interstate commerce by public utilities, i.e., the rates, terms & conditions of wholesale electric sales by public utilities – Federal Power Act §§201, 205, 206 (16 USC 824, 824d, 824e)
- 3) Provides for the restructuring of the electricity industry and creates several entities: the Energy Oversight Board (defunct), the Power Exchange (defunct) and CAISO. (Public Utilities Code §334 et seq.)
- 4) Establishes the CAISO governing board with five members appointed for three-year terms by the governor and subject to confirmation by the Senate. (Public Utilities Code §337 et seq.)

- 5) Charges CAISO with management of the transmission grid and related energy markets in order to ensure the reliability of electric service and the health and safety of the public. (Public Utilities Code §345.5)
- 6) Expresses the intent of the Legislature that CAISO transform into a regional organization to promote the development of regional electricity transmission markets in the western states and to improve the access of consumers served by CAISO to those markets, only when such transformation is in the best interest of California ratepayers. Directs CAISO to prepare changes to its governance that would allow it to transform into a regional organization, but prevents such changes to CAISO governance from taking effect until several specified steps have occurred, including that the Legislature enact statute implementing the proposed governance changes. (Public Utilities Code §359.5)
- 7) Established the renewable portfolio standard (RPS) which requires the California Public Utilities Commission (CPUC) to establish a RPS requiring all retail sellers to procure a minimum quantity of electricity products from eligible renewable energy resources. (Public Utilities Code §399.16)

This bill:

- 1) States the Legislature's intent is to enable the transition of the CAISO to a regional governance structure and explicitly have CAISO work with regional stakeholders to develop and refine the October 7, 2016 "Second Revised Proposal: Principles for Governance of a Regional ISO."
- 2) Authorizes the CAISO's Board of Governors to develop and submit to the CEC a governance proposal that complies with each of the requirements proposed in this bill.
- 3) Requires the proposal to provide for the establishment of a western states' committee. Requires the committee to have three representatives from each state that has a transmission owner participating in the Independent System Operator (ISO). Requires the representatives from California to be appointed by the governor, subject to confirmation by the Senate. Requires the committee to provide input to the ISO on all matters of interest to more than one state.
- 4) Requires the open meeting policy and records availability policy of the ISO in effect as of January 31, 2018 to meet the requirements of subdivision (d), that are consistent with the general policies of the Bagley-Keene Open Meeting Act, and

that are consistent with the general policies of the California Public Records Act, in this bill.

- 5) Requires the CEC, in consultation with the CPUC and the California Air Resources Board (ARB), to review the governance proposal for compliance with the requirements of Chapter 7 of Division 4.1 – established by this bill. Requires the review to include public review of, and written comment on, the proposal and at least one public workshop or hearing at which public comment is received.
- 6) Authorizes the CAISO to implement a governance structure consistent with the proposal, if the CEC determines the governance proposal meets the requirements of this bill and if a transmission owner from outside California that is not a participating transmission owner as of January 1, 2019, has entered into an agreement with the CAISO indicating its intent to become a participating transmission owner, and the FERC has approved any changes to the ISO's tariff necessary for the new participating transmission owner to join, then the ISO may proceed with implementing a governance structure consistent with the proposal. Requires the governance structure to not be implemented before January 1, 2021. Requires the ISO or its successor to provide notice to the CEC, upon completing implementation of the governance structure.
- 7) Requires the CEC to verify that the CAISO has implemented a governance structure consistent with the section and upon so verifying, requires promptly providing notice to the Secretary of State. Requires Article 2, Section 345.5, and Sections 346 and 349, to become inoperative upon receipt of notice by the Secretary of State. Requires the CEC to report to the Legislature its verification and notification to the Secretary of State and requires the report to the Legislature to be in compliance with Section 9795 of the Government Code.
- 8) Requires the balancing authority (BA) area boundary used for determining compliance with the requirements of Section 399.16, except if a BA in California elects to join the ISO's BA area, to be the boundary of the ISO's BA area as of December 31, 2018, if the ISO becomes a multistate regional transmission system organization pursuant to the process set forth by this bill.
- 9) Prohibits a California transmission owner, retail seller, or local POU from participating in a multistate regional transmission system organization unless the bylaws or other organizational documents that govern the organization and the organization's operations meet FERC requirements and do all of the following:

- a) Prohibit a member of the governing board of the organization from any affiliation with a participant in any market overseen by the organization and from having been an employee of a market participant within two years prior to becoming a member of the board.
- b) Limit conflicts-of-interest by prohibiting any member from owning any interest in energy-related assets that are appreciably affected by the actions of the organization and by requiring annual disclosure of significant financial interests.
- c) Provide for and maintain a decision making process that is independent of control by any market participant or class of participants.
- d) Provide for and maintain open meeting standards and meeting notice requirements that are consistent with the general policies of the Bagley-Keene Open Meeting Act.
- e) Subject to reasonable measures to limit the length of meetings or disruptions
- f) Provide public access to the records of the organization consistent with the general policies of the California Public Records Act.
- g) Protect and preserve a state's authority over matters regulated by the state, including procurement policy, resource planning, and resource or transmission siting.
- h) Require retail sellers in each state to meet minimum resource adequacy standards and permit each state to establish resource adequacy standards for its retail sellers that exceed those required by federal law, in the state's discretion. Require a local POU in each state to meet minimum resource adequacy standards and permit the governing board of a participating local POU to establish resource adequacy standards that exceed those required by federal law, in the discretion of the governing body.
- i) Prohibit the multistate regional transmission organization from operating a centralized capacity market in California for the forward procurement of electrical generating capacity that requires capacity to clear at a market clearing price in order to count for resource adequacy purposes.
- j) Ensure that the dispatch of resources by the multistate regional transmission organization to serve load in California appropriately reflects the costs for resources to comply with California's climate policies, as implemented by the ARB. Prohibits the multistate regional transmission system organization to maintain a transparent system for tracking emissions of greenhouse gases (GHG) resulting from resources dispatch and other requirements.

- 10) States that this bill does not require any California transmission owner, retail seller, or local POU to join or remain in a multistate regional transmission system organization.
- 11) Requires a California transmission owner, retail seller, or POU, before joining a multistate regional transmission system organization, to submit the bylaws and other organizational documents that govern the multistate regional transmission system organization to the CEC for review.
- 12) Requires the CEC, in consultation with the CPUC and the ARB, to review the bylaws and organizational documents that govern the multistate regional transmission system operator for compliance with the requirements of Section 8391. Requires the review to include public review of, and written comment on, the materials and at least one public workshop or hearing at which public comment is received.
- 13) Prohibits a California transmission owner, retail seller, or local POU to join a multistate regional transmission system operator unless the CEC has determined that the organization's bylaws and organizational documents meet the requirements of this bill. Prohibits a California transmission owner or retail seller, or local POU from remaining in an ISO that becomes a multistate regional transmission organization if the CEC determines that the organization's bylaws and organizational documents do not meet the requirements of this bill.
- 14) Prohibits the ISO from being deemed a multistate regional transmission system organization unless and until it has completed the governance change process requirements of this bill and the CEC has provided notice of this change to the Secretary of State.

## **Background**

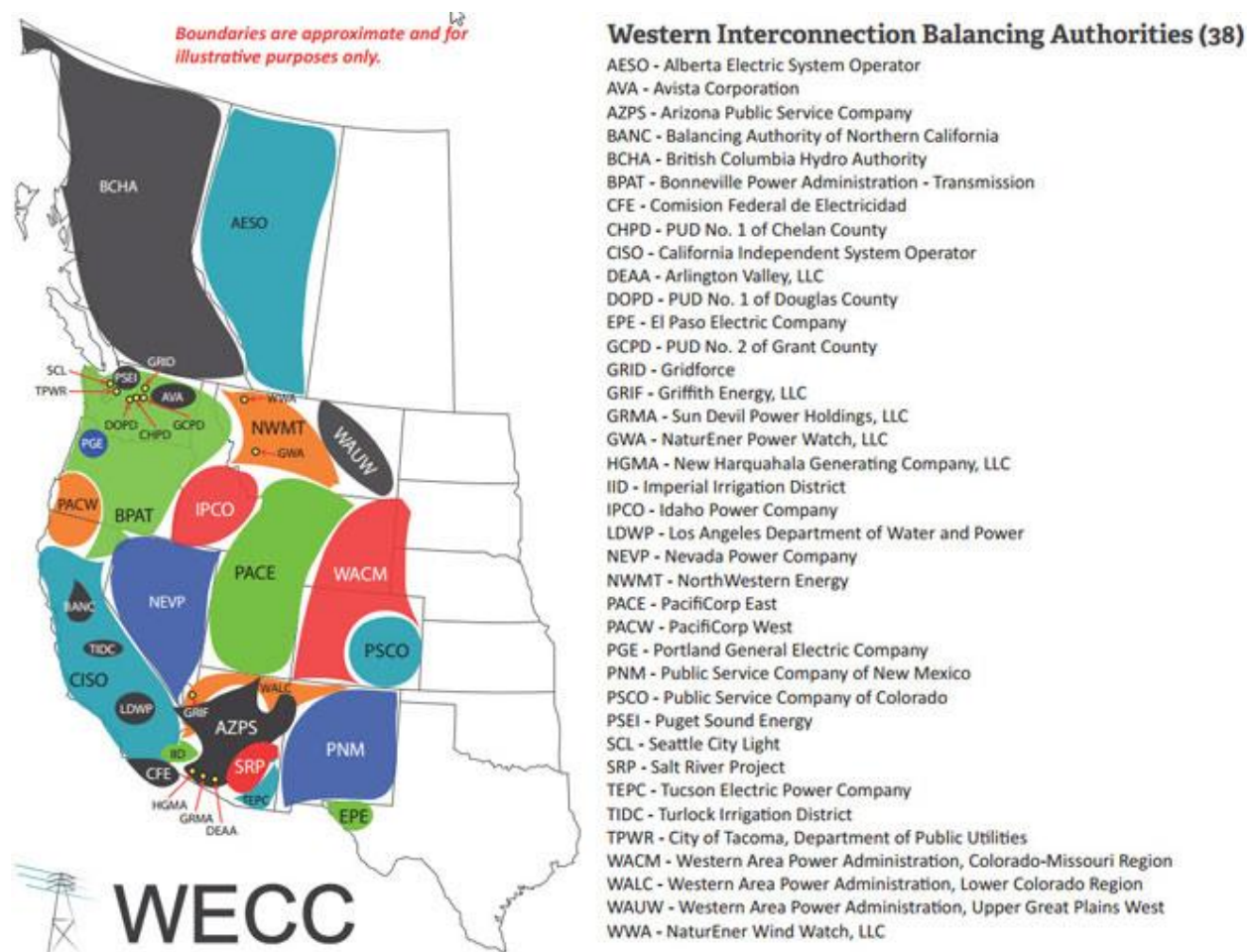
*About the U.S. power grid.* Electricity supplied by power plants moves through a complex network of electricity substations, power lines, and distribution transformers before it reaches customers. Local electricity grids are interconnected to form larger networks for reliability and commercial purposes. The electric grid consists of the bulk power systems, high-voltage transmission equipment, and the distribution system, which are generally lower voltages. North America is comprised of two major and three minor alternating current grids or "interconnection," which operate largely independently from each other with limited transfers of power between them. The United States electric power system in the Lower 48 states is made up of three main interconnections:

- The Eastern Interconnection – the area east of the Rocky Mountains and a portion of northern Texas, which consists of 36 BAs.
- The Western Interconnection – the area from the Rockies west, stretching north into Canada and south to Baja California in Mexico and consists of 38 BAs.
- The Electric Reliability Council of Texas (ERCOT) – covers most of Texas and consists of a single BA.

Many entities interface to ensure bulk power system reliability:

- The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability and security of the bulk power system in North America.
- Regional Entities have responsibility delegated by NERC for assuring bulk power system reliability in their respective footprints. Western Electric Coordinating Council (WECC) is the Regional Entity responsible for the Western Interconnection.
- Reliability Coordinators (RC) monitor the grid in real-time and interact with individual operators and other RCs to maintain reliable operations.
- BAs are responsible for maintaining load-generation balance within their footprint.
- ISO and Regional Transmission Operators (RTO) coordinate, control and monitor portions of the electric grid. ISOs and RTOs may also operate wholesale electricity markets. The Western Energy Imbalance Market (EIM) is a real-time market operated by the CAISO.

*About the Western Interconnect.* There are 38 separate BAs operating across the interconnected western United States (known as the Western Interconnect which is managed by the WECC), (as shown below). All of the electric utilities in the Western Interconnection are electrically tied together during normal system conditions and operate at a synchronized frequency of 60 Hz. Within the Western Interconnection are 38 BAs, including the CAISO, Balancing Authority of Northern California (BANC), Los Angeles Department of Water and Power, Turlock Irrigation District and Imperial Irrigation District, as well as several outside California. According to the WECC, the generation capacity of the Western Interconnection makes up approximately 20 percent of all capacity in the United States and Canada.



*About BAs.* The actual operation of the electric system is managed by entities called BAs. A “balancing authority” is an entity responsible for managing the transmission of high-voltage electricity across long-distance transmission lines. BAs must operate at a synchronized frequency of 60 Hz. The BA ensures in real-time that power system demand and supply are finely balanced. If demand and supply fall out of balance, the result can be local or wide-area blackouts. BAs also must manage transfers of electricity with other BAs. The NERC issues mandatory reliability standards which are approved by the FERC and mandated on BA.

*RTOs/ISOs.* Most BAs are electric utilities that have taken on the balancing responsibilities for a specific portion of the power system. All of the RTOs in the United States also function as BA. Nine RTOs/ISOs operate bulk electric power systems across much of North America. As a practical matter RTOs and ISOs are largely the same. RTOs are independent, membership-based, non-profit organizations that ensure reliability and optimize supply and demand bids for wholesale electric power. RTOs first developed in the 1990s to accommodate the FERC policy to encourage competitive generation through requiring open access to transmission. RTOs dispatch power by feeding both day-ahead and real-time bids from both generators and load-serving entities into complex optimization software.

These entities are often compared to air traffic controllers because they manage the electron traffic on a power grid they do not own, as traffic controllers manage airplanes landing and taking off on airport runways. RTOs have different types of members, including: independent generators, transmission companies, and load-serving entities, integrated utilities that combine generation, transmission and distributions functions, and power marketers and energy traders. RTOs and ISOs operate a region's electricity grid, administer the region's wholesale electricity markets, and provide reliability planning for the region's bulk electricity system.

*About the CAISO.* The CAISO is a nonprofit public benefit corporation that was created by California statute as part of the effort to deregulate the electricity market in the late 1990s. The CAISO manages the flow of electricity across the high-voltage bulk power system that makes up 80 percent of California's and a small part of Nevada's electric grid. CAISO is registered as both a transmission operator and BA under the NERC reliability functional model. As a general matter, BAs may contain transmission operators. For example, some participating transmission owners with the CAISO are also registered as transmission operators under the NERC reliability functional model. As with other BAs, the CAISO is FERC and NERC regulated. However, unique to the CAISO, as compared to other RTOs, is the appointment of the CAISO governing board members who are appointed by the governor and require confirmation by the Senate.

*CASIO Energy Imbalance Market (EIM).* As part of its management of the wholesale electric market, the CAISO also operates a voluntary EIM. The EIM is a real-time bulk power trading market involving eight western states that trades the difference between the day-ahead forecast of power and the actual amount of energy needed to meet demand in each hour. Energy trade in the EIM is limited and intermittent. Currently, the EIM handles generation that a participating utility considers surplus at the last minute. However, the CAISO is in the midst of active proposal to expand the EIM functions, including potential inclusion of day-ahead transactions.

*SB 350 Studies.* Several parties have pushed for transformation of CAISO into a regional body that would manage high-voltage electricity transmission for entities located throughout the Western Interconnect. Generally, the argument for a Western region electric grid is that a regional BA would better coordinate planning and dispatch of electricity resources across the West. Proponents of regionalization assert that greater reliance on intermittent renewable resources, such as wind and solar energy, necessitate such increased coordination in order to benefit from both exporting and importing electric generation during the ramps when resources are declining or increasing.



In passing SB 350 (De Leon, 2017), the Legislature expressed its intent that CAISO regionalize. Specifically, SB 350 states the intent of the Legislature as:

*To provide for the transformation of the Independent System Operator into a regional organization to promote the development of regional electricity transmission markets in the western states and to improve the access of consumers served by the Independent System Operator to those markets, and that the transformation should only occur where it is in the best interests of California and its ratepayers.*

SB 350 called upon CAISO to modify its governance structure to accommodate regionalization. The bill, however, conditioned implementation of the proposed governance changes upon several actions. Among those actions:

- Completion of studies (SB 350 studies) of the effects of the regionalization on ratepayers, the environment, disadvantaged communities, and safety and reliability.
- Public hearing.
- And, of particular relevance for this analysis, enactment of statute implementing the revised governance changes.

CAISO completed its studies in 2016, finding, among other things, that regionalization of the electric grid to incorporate most of the U.S. portion of the Western Interconnection could yield California ratepayers with \$1 billion to \$1.5 billion annually as of 2030, potentially benefitting California ratepayers in 2-3 percent reduction in their rates. According to the studies, those benefits came from:

- Reduced capital investments for RPS-related procurement, resulting from less need for curtailment and access to lower-cost renewable resources.
- Reduced production, purchase and sales costs for wholesale electricity.
- Reduced capital investment from regional load diversification.
- Reduced grid management charges for system and market operations.

The studies also acknowledged “regional [electric] market benefits significantly depend on the size of the regional market.”

The results of the studies were not universally embraced.

As required by law, state energy and air regulators held public hearings on the CAISO regionalization studies. The administration explored regionalization with its counterparts in other Western states. In addition, legislative staff organized many (many, many) inclusive stakeholder meetings. Stakeholders never reached consensus over the details of regionalization, the most contentious issues being

governance, environmental effects and potential actions by the FERC, concerns that only increased after the presidential elections in 2016.

*Bill attempts to provide assurances; doubts remain.* This bill again states the intent of the Legislature that CAISO become a regional body. However, the author attempts to provide assurance as to the risks associated with transforming to regional body, including the risks to California's ratepayers, risks to the state's climate policies, risk to the state's oversight, risk to California's energy policies, and others. To this end, this bill prohibits a California transmission owner, retail seller, or local POU from joining a multistate regional transmission system organization unless the bylaws or other organizational documents that did not meet the 17 requirements noted in this bill. The 17 or so requirements relate to addressing conflict-of-interest by governing board members, providing open meetings, public access to records, preserving a state's authority regarding procurement policy and resource adequacy standards, track GHG emissions from resources dispatched to serve California load, and others. Presumably, since the CAISO currently incorporates a small portion of load from the Nevada, the CAISO is a multistate regional transmission system organization and presumably satisfies all the requirements noted in this bill.

*Bill requires Legislature to defer to CEC.* This bill repeals the existing statute related to the current governance of the CAISO and instead authorizes the CEC to review proposals submitted to it by the governing board of the CAISO to transform the body into a multistate entity. This bill requires the CEC, in consultation with the CPUC and the ARB, to review the proposal(s) to ensure it (they) comply with the 17 requirements. This bill also establishes a western states' committee, with three representatives from each state with a transmission owner participating in the ISO, and requires California governor to appoint the state's three. This bill does not address whether the votes by the states should be weighted by electricity load, in consideration that California represents the largest market. Furthermore, the role of the CEC may be better suited for the CPUC, at least in so far as ratepayer costs, resource adequacy, and procurement policy are entailed. While the CPUC does not have jurisdiction over POU, the CPUC has much more familiarity with the FERC process and ratepayer considerations, which would affect customers of investor-owned utilities, as well as, the municipally-owned utilities.

*Preventing buyer's remorse.* Many opposed to this bill express concerns regarding the current federal direction on energy policy and the potential implications for Californians should the CAISO footprint expand. Of particular concern are the continued efforts by the Trump Administration to push for procurement of coal generation, whereas California has largely shifted away from coal generation and

pushed for increased procurement of renewable generation. Last year, the Trump Administration pushed for changes through FERC that would utilize reliability framework to support coal procurement. More recently, the Trump Administration has proposed mandating ISOs/RTOs to procure coal, nuclear and other generation assets that have stored fuel on-site. Some opposed to this bill express concerns that expansion of the ISO footprint would allow for coal assets within the footprint, which do not exist currently. As such, should the Trump Administration be successful, California ratepayers would be forced to procure coal generation at above market prices for generation they could otherwise secure that would be cleaner, greener, and more cost-effective. Would an expanded grid increase that risk by incorporating more coal assets into the footprint? It seems it would likely increase that risk and at a minimum merits further caution before so as to prevent increasing GHG emissions, as well as, increasing utility bills for customers. It seems to be a given that the Trump Administration will continue to pursue these efforts whether the current iteration is successful or not. While the author has attempted to alleviate this concern by incorporating language that prevents a new governance structure from taking effect before January 1, 2021, presumably a date by when President Trump would no longer be in office. The actions to make the change to the CAISO would already be authorized. Notwithstanding that presidents are sworn-in on January 20<sup>th</sup>, the bill may also presume, perhaps with too much confidence, that President Trump would be unsuccessful in securing a second term to the office.

Other issues to consider, should this bill move forward:

*Does this bill kick the (RPS) bucket?* Expanding the CAISO electric grid to a regional footprint would likely eliminate the RPS buckets that provide preferences for in-state generation resources. However, the recent author amendments preserve the RPS buckets with some complications under the broader regional footprint. Based on the SB 350 studies, the overriding source of potential economic benefit for ratepayers is the ability to secure out-of-state renewable resources, as opposed to the capital costs associated with developing new in-state renewable resources. However, these are complex tradeoffs as reduced in-state generation resources means fewer jobs associated with building those resources, but can also mean less ratepayer costs. However, other states may not provide comparable worker protections and benefits.

*Transmission charge.* This bill attempts to allay concerns regarding transmission charges. However, as noted by the author, transmission charges are the purview of the federal government, and of FERC, in particular. However, it's important to note that any potential ratepayer savings of expanding a regional footprint could be

overwhelmed by the transmission charges attributed to California ratepayers. It is understandably difficult to legislate the concerns regarding transmission charges. However, the risk of transmission charges overwhelming ratepayer benefits underscores the need to review the particulars of any multistate entity proposal to ensure California's concerns are properly considered and reviewed. Moreover, recent language inserted into this bill ensuring that California participating transmission owners receive equitable use of, and just and reasonable compensation for, their past investments in the transmission system assets. While on its surface the intent seems laudable and reasonable, there is concern by parties that the language may have more to do with a battle regarding how FERC has been approving incentive adders for Pacific Gas & Electric even in the face of CPUC opposition. The issue recently came to a head in a U.S. Court of Appeals decision, wherein the court sided with CPUC and took FERC to task on the policy of approving the incentive adder (which would be shouldered by ratepayers), but also for FERC's failure to address the CPUC's concerns. Unfortunately, these actions by FERC are not reassuring as to how California ratepayers would fair in an expanded regional electric grid.

*Ability to track GHG emissions?* CAISO has been working with ARB to track GHGs within the EIM. However, as noted by ARB, the effort is still ongoing with a third attempt to be proposed shortly, as previous efforts have been less than adequate. Would an expanded electric grid footprint provide for better tracking or worse tracking. It is currently unclear.

*Fundamental question: Should Legislature ratify terms?* At its core, the notion of a multistate entity implies many of the principles one might associate with establishing a trade deal. Parties representing different interests and jurisdictions would engage to hammer out what one would hope to be mutually beneficial agreements, but at a minimum would require the parties to ensure their self-interest is protected, if not benefited. At the federal level, trade deals are negotiated by the executive branch of government but ratified by the Legislature, specifically the U.S. Senate. California, itself, has a similar framework for negotiating tribal compacts which are negotiated by the executive branch but often require approval by the Legislature. Recognizing that the author's best attempt to provide assurance and guarantees to protect California ratepayers and the state's policies may not be sufficient, it seems reasonable that the Legislature should be able to weigh in once the specifics of a proposal have been developed, perhaps even worked through the process as envisioned by this bill. However, rather than solely a report to the Legislature, the agencies, CEC, CPUC, CAISO should have to report to the Legislature in order to inform a future review by the legislature of the merits of the details of the proposal. **Therefore, if members are inclined to support this bill to move forward, the committee should consider amending the bill to preserve the**

*statutes related to the CAISO as proposed to be repealed and require the executive branch to report back to the legislature and require a future vote for the statutory change.*

*Double referral.* Should this bill be approved by this committee, it will be re-referred to the Senate Committee on Judiciary for their consideration.

**Prior/Related Legislation**

SB 726 (Holden, 2017) includes three distinct, largely unrelated components, one of which establishes a process to authorize transformation of the CAISO into a regional organization.

SB 350 (De Leon, Chapter 547, Statutes of 2015) among other things, established targets to increase retail sales of renewable electricity to 50 percent by 2030, states the intent of the Legislature to provide for the regionalization of CAISO, and requires statutory authorization of such regionalization.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:**

- |  |                                       |
|--|---------------------------------------|
| 8minutenergy Renewables                | Independent Energy Producers Assn     |
| Advanced Energy Economy                | Large-scale Solar Association*        |
| American Assn of Blacks in Energy      | League of Women Voters of California  |
| American Council on Renewable Energy   | Monterey Bay Community Power          |
| Bay Area Council                       | Natural Resources Defense Council     |
| Brightline Defense Project             | Public Generating Pool                |
| California Chamber of Commerce         | Silicon Valley Leadership Group       |
| California Community Choice Assn       | Solar Energy Industries Association   |
| California Independent System Operator | Sonoma Clean Power                    |
| Clean Power Campaign*                  | Stem                                  |
| EDP Renewables                         | SunPower                              |
| Environmental Defense Fund             | Union of Concerned Scientists         |
| Environmental Entrepreneurs (E2)       | Vote Solar                            |
|  | Washington State Governor, Jay Inslee |

**OPPOSITION:**

- |                                  |                              |
|----------------------------------|------------------------------|
| 350 Bay Area                     | Greenpower                   |
| 350 Chico                        | Impact Investors*            |
| 350 Conejo – San Fernando Valley | Imperial Irrigation District |
| 350 Riverside                    | Indivisible CA-33            |

350 San Diego  
 350 Santa Barbara  
 350 Silicon Valley  
 350 SoCal  
 350 South Bay Los Angeles  
 Agricultural Energy Consumers Assn\*  
 Aguirre & Severson, LLP  
 Alameda Municipal Power\*  
 Alliance for Retail Energy Markets\*  
 American Wind Energy Assn CA Caucus  
 ASI Hastings, Inc.\*  
 BayWa r.e Solar Projects\*  
 Business for Good San Diego  
 CA Alliance for Community Energy  
 CA Assn of Nurseries & Garden Centers\*  
 CA Business Roundtable\*  
 CA Citrus Mutual\*  
 CA Cotton Ginners and Growers Assn\*  
 CA Dairies, Inc.\*  
 CA Environmental Justice Alliance  
 CA for Progress  
 CA Independent Petroleum Assn\*  
 CA League of Food Producers\*  
 CA Municipal Utilities Assn  
 CA Poultry Federation\*  
 CA Retailers Assn\*  
 CA State Assn of Electrical Workers  
 CA State Pipe Trades Council  
 CA Tomato Growers Assn\*  
 CA Wind Energy Assn\*  
 Californians for Energy Choice  
 Californians for Green Nuclear Power, Inc.  
 Center for Sustainable Energy\*  
 City of Biggs\*  
 City of Glendale Water & Power\*  
 City of Healdsburg\*  
 City of Lake Forest  
 City of Lodi\*  
 City of Lompoc\*  
 City of Palo Alto\*  
 City of Redding\*  
 City of Riverside\*  
 City of Roseville\*  
 City of Santa Clara\*  
 City of Shasta Lake\*  
 City of West Hollywood\*  
 Clean Coalition  
 Climate Action Campaign  
 Climate Hawks Vote

Indivisible CA: StateStrong  
 Indivisible Los Angeles CA-43  
 IndivisibleSF  
 League of Conservation Voters–San Diego\*  
 League of Women Voters\*  
 Local Clean Energy Alliance  
 Lumeo\*  
 Main Street Alliance–San Diego\*  
 Modern Times Beer\*  
 Mothers Out Front  
 No Coal in Oakland  
 Northern CA Power Agency  
 Oakmont Progressives  
 People Demanding Action  
 Plumas-Sierra Rural Electric Cooperative\*  
 Port of Oakland\*  
 Progressive Democrats of America  
 Raise Progress\*  
 Renovate America\*  
 Revolution LA  
 Romero Institute  
 Rootskeeper  
 Sacramento Municipal Utility District\*  
 San Diego Coastkeeper\*  
 San Diego Community Choice Alliance  
 San Diego County Democrats for  
 Environmental Action\*  
 San Diego Energy District  
 San Francisco Berniecrats  
 San Jose Community Energy Advocates  
 San Luis Obispo Clean Energy\*  
 Santa Barbara County Board of Supervisors\*  
 Santa Barbara Standing Rock Coalition  
 Save Porter Ranch  
 Sierra Club California  
 SightWorks Architecture & Interior Design\*  
 Sonoma Valley Climate Coalition  
 Southern CA Public Power Authority  
 State Building & Construction Trades Council  
 of California  
 Sullivan Solar Power\*  
 Sunflower Alliance  
 Sunpower by Stellar Solar\*  
 Surfrider Foundation  
 Sustainable Marin  
 The Greenlining Institute\*  
 The Utility Reform Network  
 Tosdal Law Firm\*  
 Truckee Donner Public Utility District\*

Climate Justice Committee  
Coastal Environmental Rights Foundation\*  
Consumer Watchdog  
Divest LA  
Earthjustice\*  
East Bay Clean Power Alliance\*  
Emerald Cities San Francisco  
Encinitas City Councilmember Tasha Boerner Horvath\*  
Environmental Center of San Diego\*  
Far West Equipment Dealers Assn\*  
Food & Water Watch  
Green Party of CA

United Assn of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the US & Canada  
United Assn of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry, Local Union 38, 114, 460 & 484  
Western Agricultural Processors Assn\*  
Western States Petroleum Assn\*  
Western States Council SMART  
Women’s Energy Matters  
World Business Academy  
Some Individuals

\*Position letters received before 2018.

**ARGUMENTS IN SUPPORT:** According to the author:

“The bill [AB 813] facilitates expansion of the CAISO to expand its membership to include other balancing authorities across the 14 western states which is also referred to as regionalization. Specifically, if the CAISO shows compliance with the operating standards and protocols set forth in this bill (which would be confirmed by the California Energy Commission), the CAISO reports an agreement with one or more out-of-state balancing authorities to join the CAISO, and the FERC approves a revised tariff, then, no sooner than 2021, The CAISO board would be deemed inoperable and a western states committee of the CAISO would be created which would include with three appointments by the Governor and confirmed by the Senate.”

**ARGUMENTS IN OPPOSITION:** Arguments in opposition to this bill are many, mostly concerning the risks of such a policy and the adequacy of protecting California’s interests, the limiting benefits due to the recent amendments to limit procurement to RPS buckets. Many of the municipally-owned utilities express grave concern with the implications to transmission access charges and their effect on their ratepayers. Several parties have expressed concerns regarding the Trump Administration’s continued efforts to prop up coal and the risks of these efforts to undermine California’s climate policies. In general, many of those opposed raise concern that the overall potential benefits are not significant enough (1-2 percent ratepayer reduction) against potential risks.