

[Submitted by Ben Walker via email to customerchoice@cpuc.ca.gov on 11/27/17]

To the California Customer Choice Staff,

I write in favor of transitioning to customer choice.

I lived in PG&E's service territory for 18 years, and have since moved to IL. As an energy consultant, I work with clients around North America (even some in the Direct Access market in CA) and I continually find clients interested in procurement strategies that help them predict, budget for, and manage energy procurement costs. Opening up choice would be a good step for all energy users in CA. Generally, states that have implemented market designs have seen better outcomes than those that haven't.

With the availability of solar resources in the state and the low (and falling) cost of rooftop solar, time is running out for CA to implement policies which allow the state to be proactive instead of reactive. Grid defection may be on the horizon, which will exacerbate the issues currently facing grid operators and planners.

Throughout the process of evaluating customer choice I encourage CA to consider adopting a multi-disciplinary approach, and seeking stakeholders from business, communities, non-profits, government, and academia.

I would encourage CA to adopt a decoupling mechanism for utilities. Utilities are valuable and should be compensated. But the compensation should be from incentives that are aligned with energy users and tax payers.

I would encourage CA to consider looking at the New England energy market (say, MA) to see how they incorporate the RGGI. This may be important given CA's environmental regulations. The US power markets considered by the recent workshop do not include carbon pricing (though the ZEC's are tangentially similar). Note: If considering a capacity (resource adequacy) cost, I don't like how ISO-NE defines capacity (PJM's system is much better), in that ISO-NE protects the generators instead of the consumer. I think the risk of weather or pricing should be on the businesses (generators) that bid into the auction, not on the energy users.

I would encourage CA to work closely with Nevada, as they are on the cusp of organizing a customer choice market, as well. Additionally, I still hold out hope for a western regional grid and incorporating NV in a choice process could create synergies between the states and raise the likelihood for the regional grid to happen. (The EIM is working -- do more of that!)

CAISO has qualified professionals, so rather than provide a list of sources to consult, I'll just make a general comment:

In addition to the materials available from other ISO/RTOs in the US, I encourage CA to consult with national labs (e.g. NREL, LBNL) and academic institutions (e.g. Stanford, MIT) for research into energy markets structure and behavior. There are some good studies from these organizations that would be worth exploring.

All the best,
Ben Walker