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California Legislature's Unfinished Business to Fully Integrate the Western Grid

Coalition to Continue Advocating for Clean Energy Jobs & Lower Electricity Costs

SACRAMENTO — While the California legislature achieved important clean energy milestones in 2017, it will adjourn without removing persistent barriers to fully integrating the fragmented Western electricity grid, delaying action on reform that would increase high-quality clean energy jobs and lower electricity costs in the state, the [Secure California's Energy Future campaign](#) said today.

The campaign—which includes environmental, public interest, academic, renewable energy and business advocacy groups—urges the legislature to act in the second part of its session next year to reinforce the state's climate and clean energy leadership by directing the California Independent System Operator (CAISO) to create a new governance structure, helping to integrate the fragmented Western grid that crisscrosses California and parts of 13 other states, Canada's British Columbia and Alberta provinces, and Mexico's Baja California state. Currently, grid operational responsibilities are divided among 38 separate bodies. Through greater coordination, an independent regional Western grid operator would be able to draw cleaner, cost-effective electricity from across the region and send it where it is needed.

“The Secure California's Energy Future campaign will continue fighting for lower electricity bills for California families and businesses, cleaner air, more good-paying clean energy jobs, and for solutions to our climate crisis,” said Ralph Cavanagh, co-director of the energy program at the Natural Resources Defense Council. “We need a fully integrated Western grid to avoid throwing away California's pollution-free solar and wind generation. Fortunately, we are only halfway through a two-year legislative session, and we won't pause in our efforts to make progress.”

Specifically, the Legislature needs to provide statutory authorization for the existing CAISO board, which is appointed by California's governor, to oversee a transition to an independent board with diverse expertise, in consultation with stakeholders. An independent board is the norm for the nation's six other regional transmission operators. All Western states would retain control over their respective energy policies. And a diverse stakeholder advisory board would ensure a hearing for all affected interests, including public power, organized labor, and environmental justice groups. Assemblyman Chris Holden's AB 813 included all these provisions, and we hope to see it again in January.

Through greater coordination and efficiency, an independent regional Western grid operator will lower electricity bills for customers, saving billions of dollars for California's working families, and help to fully utilize California's emissions-free solar generation rather than shut it down during periods of reduced

electricity needs within the state. A [2016 study called for by SB 350](#) (de León, 2015) found that a transition to a regional grid operator with an independent board will save the state's electricity customers \$1 to \$1.5 billion annually by 2030.

A larger and fully integrated Western power grid will accelerate well-paying jobs in California's solar, wind, and other sectors. A recent [Yale Law School Environmental Protection Clinic report](#) explained that a regional electricity market could create between 10,000 to 20,000 jobs in California because "the primary driver of job creation would be indirectly gained through lower energy costs...this additional capital can be reinvested in the economy."

Allowing California to incorporate more renewable energy onto the grid and integrating its energy market with the rest of the region are critical components to meeting California's climate goals, including the renewable portfolio standard mandating that 50% of California's electricity come from renewable sources by 2030.

The CAISO's governance has been under review by state leaders since early 2015. Interested parties have gathered in Sacramento for more than a dozen public workshops on grid operations, governance and related issues between 2015 and 2017; and the California Energy Commission, California PUC and the CAISO convened joint-agency public meetings on grid governance issues in May 2016, July 2016, and May 2017. The Assembly Committee on Utilities and Energy also held an informational hearing, "Impacts of Regional Organization of the Grid," on June 7, 2017.

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For additional information, please visit www.SecureCAEnergyFuture.org.