

Stakeholder Comments Template

Submitted by	Company	Date Submitted
<p>Please fill in the name, e-mail address and contact number of a specific person who can respond to any questions about these comments.</p> <p>Subba Nishtala Director Fuels and Business Support Subba.Nishtala@aps.com 602-250-2531</p>	<p>Arizona Public Service Company</p>	<p>April 16, 2015</p>

Please use this template to provide written comments on the EIM Governance straw proposal posted on March 19, 2015.

[Please submit comments to EIM@caiso.com](mailto:EIM@caiso.com) by close of business April 16, 2015

The straw proposal is available on the ISO website at:
http://www.caiso.com/Documents/StrawProposal-LongTermGovernance_EnergyImbalanceMarket.pdf

The slides presented during the March 31, 2015 stakeholder meeting are available at:
http://www.caiso.com/Documents/Agenda_EnergyImbalanceMarketGovernance-StrawProposal.pdf

The EIM Transitional Committee welcomes and appreciates stakeholder feedback related to the straw proposal for the EIM Governance initiative. Please use the following template to comment on the key topics addressed in the proposal:

Structure - composition of the Nominating Committee, composition of the EIM governing body, and process for selecting members.
Comment:

<p>Scope of authority – scope of authority, including whether it is appropriate and workable, the examples of issues that would fall within the primary and secondary authority of the EIM governing body, and process for resolving disagreements about the particular proposed rule changes or the scope of authority generally.</p>
<p>Comment: APS supports this delegated authority approach recommended by EIM Transitional Committee in the straw proposal. This model combines the need for the body to have decision making authority, while still remaining closely linked to the ISO to encourage collaboration while preserving market efficiencies.</p> <p>APS is also supportive of the ability of the governing body to have primary authority over those market rules that are EIM-specific. The delineation of primary vs. secondary authority is important and the details are important. APS supports the concept laid out in the proposal, as well as the specific examples cited. A good rule of thumb, as cited in the paper, is “Would this rule exist without EIM?” If it does, then it belongs in the ISO Board’s primary authority. APS also believes the structure would promote a close working and collaborative process between the two bodies.</p>
<p>Documentation – documentation of these arrangements in the ISO’s bylaws and a charter from the ISO Board of Governors, and mission of the EIM governing body that would be identified in its charter</p>
<p>Comment:</p>
<p>Committee of regulators – composition, including the balance of representation between state commissions and public power, and role of the committee</p>
<p>Comment: As mentioned in previous comments, APS fully supports the concept of having a committee of state regulators serve in an advisory capacity to the EIM governing body and the CAISO Board. This provides an opportunity for state’s perspectives to be formally represented, and thus as the proposal outlines, will help replace the need for any “ad hoc efforts to involve individual states’ regulators that would fall short of the full range of participation that would be useful.”</p>
<p>Trigger for re-evaluating EIM governance</p>
<p>Comment: APS is supportive of the commitment to re-evaluate EIM governance in 5 years, or based on defined trigger criteria. APS favors the idea of the conditions related to size of EIM growth in terms of market participants. This is because it is possible that with enough growth the costs for the autonomous governing body that were outlined could be shared more easily.</p> <p>Another trigger could be tied to potential conflicts between the ISO Board and EIM Body. For instance, if the two continue to disagree on where new rulings fall in terms of primary vs. secondary authority, and this conflict is negatively impacting the market, it may be time to review the overall governance structure. However, APS does not currently see this becoming an issue, and that the proposed structure will promote a close working and collaborative process between the two bodies.</p>

Criteria for evaluating proposals – to revise and simplify the criteria for evaluating governance proposals, as reflected in the appendix
Comment:
Miscellaneous items – Please provide comments to other aspects of the straw proposal or governance related issues here.