



January 26, 2015

Stacey Crowley
Director, Regional Affairs
CAISO
250 Outcropping Way
Folsom, CA 95630

Re: **Conceptual Governance Models for the Energy Imbalance Market**

Dear Ms. Crowley:

The American Wind Energy Association (AWEA) appreciates the opportunity to provide comments regarding the January 5, 2015, issue paper prepared by the EIM Transitional Committee on Conceptual Models for Governing the Energy Imbalance Market. AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers, and their advocates.

Working with our regional partners in the Western U.S., AWEA has been a strong advocate for the expansion of energy imbalance markets in our combined state and regional regulatory activities as the EIM will bring reliability and economic benefits to all market participants. These benefits are achieved by providing real-time visibility of available resources across all participating balancing areas, combining geographically diverse loads and resources, and using the least-cost available generation across the combined EIM area to balance markets in real-time. Importantly, this market will make much more efficient use of the existing grid assets in the region and thereby facilitate the integration of renewable resources in California and across the West.

AWEA supports a resulting governance structure/EIM governing body that can best capture the full range of economic and reliability benefits achieved through functional and expanded electricity markets in WECC. This includes a governance structure that facilitates broader utility participation, geographic expansion, and as additional benefits are shown, a broader set of functions than the current focus on providing markets to cost-effectively resolve energy imbalances through the sharing of balancing reserves. AWEA recommends that the resulting governing structure encourage the input from a diverse set of states, environmental advocates and other stakeholders through the adoption of an advisory committee, and that the governing body is structured to prevent any one stakeholder group too much control and influence.

AWEA does not specifically advocate for one of the proposed governing models over another. However, AWEA supports the proposed criteria to be embodied in the resulting governance



structure. In particular, we believe the following criteria are significant to meet the desired outcomes expressed above:

- Ensuring that all EIM participants have the opportunity to benefit from the EIM over time;
- Controlling costs to ensure favorable cost-benefit ratios;
- Providing decision and stakeholders confidence that the EIM governing body is pursuing the best interests of all participants and the market as a whole, and is not unduly influenced by a single state, sub-region or stakeholder group;
- Providing a strong foundation for new entrants to participate in the EIM, which will further provide benefits from increased diversity of resources across a broader geography;
- Allowing flexibility for the governing body to expand the scope and functionality of the market to provide additional services as requested by EIM entities; and
- Ensuring that the EIM complies with legal requirements and policy goals, including federal and state environmental regulations and renewable energy goals.

Careful consideration of these criteria and ensuring that they are embodied in the EIM governing body will provide for transparency and accountability, and allow for ease of participation, which will promote the EIM expansion overall.

Thank you for the opportunity to comment, and please feel free to contact me with any questions.

Sincerely,

Tom Darin
Director of Western State Policy,
American Wind Energy Association