

EIM BODY OF STATE REGULATORS COMMENTS ON RIF REEVALUATION DISCUSSION DRAFT

The EIM Body of State Regulators (BOSR) appreciates the opportunity to provide comments to the Regional Issues Forum (RIF) concerning the role of the RIF in the governance of the Western Energy Imbalance Market. The BOSR supports the continuation of the RIF, as the RIF provides a forum for participants in and observers of the EIM to learn from each other and discuss EIM topics and issues. After reviewing the recommendations of the Staff Advisory Committee and listening to discussion during the February 28, 2017, RIF and EIM Governing Body meetings, the BOSR provides the following responses to the questions posed by the RIF Liaisons:

- 1. The first question centers around the structure of the reevaluation process. It is the Liaisons' understanding that the ISO will run a traditional ISO-driven stakeholder process for this effort. The Liaisons would like this to be a bottom-up process shaped by stakeholder input and that is one of the purposes of this initial Discussion Draft. We would benefit from stakeholder feedback on the role of the RIF Liaisons in this process. Should we serve to channel stakeholder feedback? Should we be making affirmative recommendations? Should we go so far as the EIM Transitional Committee to develop comprehensive work products?*

The BOSR is comfortable with the RIF Liaisons channeling stakeholder feedback, making recommendations to the EIM Governing Body, and developing comprehensive work products, as needed. Broad participation and greater depth of contribution by stakeholders will improve both the RIF review process and the operation of the EIM. The RIF Liaisons are well situated to facilitate the communication of the EIM regional stakeholders concerns. The discussions during RIF meetings among its members provides useful information to the BOSR and the SAC as its members gain and understanding of the EIM and how it works.

- 2. The RIF liaisons believe that the RIF reevaluation stakeholder process can be accomplished in a relatively short amount of time and with minimal process. As such, the RIF liaisons recommend that the RIF reevaluation stakeholder process consist of a combined issue paper/straw proposal developed by the RIF liaisons, followed by no more than two stakeholders meeting, and commensurate numbers of iterative comment and proposal rounds. Indeed, this could be accomplished with one round of comments and a meeting, followed by a final work product. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what process should be used. For example, should there be multiple rounds of stakeholder input (written comments), multiple meetings or multiple revisions to proposal documents?*

The BOSR encourages an efficient review process that minimizes the length of the time of the RIF review. The RIF Liaisons' role in developing bottom-up feedback that comprehensively captures the concerns of the EIM regions, as discussed in response to question one above, will expedite the RIF review process. The BOSR agrees that the review process could consist of one round of comments and a meeting, followed by a final work product. However, considering that two rounds of comments and meetings may turn out to be necessary, the RIF review process should be scheduled to accommodate a second round of meetings and comments.

3. *The RIF liaisons recommend that the RIF reevaluation final proposal and stakeholder feedback be presented to the EIM Governing Body for the ultimate decision and resolution under the current voting structure of the EIM Governing Body. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what resolution process should be used.*

After reviewing the comments of other stakeholders and listening to the discussion during the February 28 meeting of the EIM Governing Body and RIF, the BOSR suggests that the RIF present its final proposal on reevaluation to the EIM Governing Body. However, the BOSR agrees with comments by the EIM Governing Body members and other commenters that it is not necessary for the EIM Governing Body to approve the RIF's final proposal unless the RIF proposes to modify the Charter for Energy Imbalance Market Governance, or the proposal would impose significant financial or resource impact on the California ISO.

4. *The RIF liaisons recommend that the RIF reevaluation stakeholder process be completed by the July 13, 2017 meeting of the EIM Governing Body. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what timeline should be used.*

The BOSR agrees with this recommendation.

5. *Right now, the RIF meets 3 times per year. Suggestions have been made to align RIF meetings with the EIM Governing Body schedule. That would increase time and meeting commitment, but would regularize RIF input into the Governing Body. Input on this issue would be valuable. The Liaisons believe that the EIM Governing Body should have a strong role in setting the agenda for the RIF to ensure feedback into the issues on which they must deliberate. We would appreciate input on this initial recommendation.*

The BOSR agrees the RIF should align its meetings with the EIM Governing Body schedule. Alignment of the RIF meetings are necessary to provide timely and relevant feedback to the EIM Governing Body. The BOSR came to a similar conclusion and aligned their meetings in advance of the EIM Governing Body meetings.

However, recognizing that alignment could require a significant increase in time and meeting commitments, we suggest the RIF hold meetings on an as-needed basis and consider having in-person meetings on a quarterly basis only, unless otherwise required by the nature of the issue under deliberation.

The BOSR does not believe the EIM Governing Body should set the agenda for RIF meetings – that should be left to the RIF Liaisons working with the RIF members. However, the BOSR encourages the EIM Governing Body to work closely with the RIF to identify any issue that may affect RIF members in a timely manner that enables the RIF to consider the issue and provide timely feedback.

6. *The expectation is that, in addition to the EIM Governing Body, agenda development and RIF meeting discussions would be led by stakeholders, channeled through the Liaisons for the purposes of organizing meetings. This is consistent with the last RIF meeting in Phoenix on November 29, 2016, where stakeholders led market issue discussions. It is expected that a primary role of the Liaisons will be to define a process for requesting agenda item. Meeting plans would establish deadlines for issue submissions or stakeholder presentations. Please provide thoughts on this general approach to RIF activities.*

We agree that the RIF agenda and meeting discussions should be organized through the RIF Liaisons, including setting reasonable procedural timelines and processes for requesting agenda items, submitting issues for discussion, and sharing information.

7. *The existing documentation for the RIF contemplates the possibility of written work product as a means of capturing stakeholder views or RIF opinions. The Liaisons believe that if this function remains in any final recommendation, a process for triggering and producing written material must be developed. Stakeholder views on whether this function should remain, and how to execute upon it are appreciated.*

The BOSR encourages the RIF and the EIM Governing Body to retain the provision for the RIF to produce written material. In order to capture RIF member views, the RIF may need to be able to collect written comments in addition to verbal discussions at RIF

meetings. The BOSR has no official opinion on the creation of a trigger that requires the production of written materials. The appearance of action items on the EIM Governing Body's agenda may be one trigger. Similarly, events in the market or actions by the Federal Energy Regulatory Commission may also serve as triggers.

8. *Is the RIF delivering on all of the key functions described in the operating guidelines? If your response is no, please explain and/or provide suggestions.*

For its first year of operation, the RIF has performed its functions well. The BOSR encourages the RIF to provide more written feedback to the EIM Governing Body as set forth in its Operating Guidelines.¹ The written feedback can be in the form of consensus comments or can represent the divergent opinions of the RIF stakeholders. Resources permitting, the BOSR encourages the RIF to create "sub-teams made up of the sectors' subject matter experts to evaluate specific EIM issues and report back to the RIF and stakeholders with any recommendations for solutions."²

9. *What should be the primary focus areas of the RIF?*

The BOSR does not have a predetermined priority for the focus of the RIF. Developments in the EIM market may require changes to the RIF priorities over the course of the year. The RIF should retain the flexibility to be responsive to those demands. That said, the BOSR considers the proper design and execution of the function of the EIM to be a first-order priority. Another high-level priority should be to address seams issues the EIM poses with the broader bi-lateral markets in the west. The BOSR is committed to an ongoing dialogue with the RIF to provide input on priority setting going forward.

Further, the BOSR suggests that the RIF should not be restricted from addressing topics that are the subject of a formal CAISO stakeholder process. Any discussions held by the RIF on such topics should not be considered part of the formal stakeholder process, but would be useful to members of the RIF, BOSR and EIM Governing Body to enhance understanding of stakeholder topics, and provide a forum for open discussion.

10. *Are there any provisions of the EIM Governance Charter or other RIF documents that need reconsideration?*

¹ RIF Operating Guidelines, revised 06/13/2016, Purpose and Responsibilities, item 6, page 1.

² RIF Operating Guidelines, revised 06/13/2016, Purpose and Responsibilities, item 4, page 1

The BOSR limits its response to the reconsideration of the RIF documents and the portions of the EIM Governance Charter that pertain to the RIF. The BOSR has not performed an in depth examination of each element of the Charter and RIF documents, but sees no need to amend the RIF documents at this time.