



Comments of Bonneville Power Administration on the “Revisions to Energy Imbalance Market Governance Documents” Issue Paper

Submitted by	Company	Date Submitted
Cathy Ehli clehli@bpa.gov 503-230-4275	Bonneville Power Administration	December 14, 2017

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on the “Revisions to Energy Imbalance Market Governance Documents” Issue Paper dated October 17, 2017. The Energy Imbalance Market (EIM) governing documents are important in representing not only the essential structure for EIM governance, but to also demonstrate the independence of the EIM Governing Body to objectively represent the interests of EIM participants and all stakeholders impacted by EIM policies and operations.

COMMENTS

Regarding the proposed changes to the “Selection Policy” of the governance documents, BPA supports, with qualifications, the option for the Nominating Committee to use, at their discretion, an Executive Search Firm to find qualified candidates for the EIM Governing Board as opposed to being *required* to use such a firm. Not being mandated to use an Executive Search Firm can save substantial costs, and can also provide opportunity to consider candidates that the Nominating Committee may have knowledge of through utility industry networks, engagements, etc. Use of an Executive Search Firm, however, is an important demonstration of an independent approach to produce a list of qualified candidates for consideration. With or without the services of an Executive Search Firm, it is essential

that the independence of the EIM Governing Board be preserved, and this proposed revision does introduce a risk that the objectivity provided with an Executive Search Firm may be compromised. The Nominating Committee is comprised of individuals from organizations that are EIM participants. As a result, the Nominating Committee member may bring that bias when considering future candidates. BPA recommends that, in conjunction with this proposed revision, criteria be developed for the Nominating Committee to follow to demonstrate the extent of its unbiased, objective effort to secure new candidates.

The proposed changes also require the Nominating Committee to consider an extension of term of an existing EIM Board Member if that member expresses interest in continuing their tenure. BPA supports this change to leverage the knowledge and experience of EIM Board member(s) should they be willing to continue to serve. However, to encourage new insights and perspectives over time, BPA recommends that the current limit of a maximum of three terms-of-service remain in effect.

Finally, BPA is supportive of the proposed change to allow Management, with stakeholder input, to have a role in resolving a dispute in the classification of an issue as either a Board or an EIM Governing Body issue prior to it going to the established dispute resolution process. This allows for the possibility for a quicker resolution, and with less process—yet the backstop of the dispute resolution process will remain if needed.

Thank you again for the opportunity to comment.