

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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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: None
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.
Comment: CDWR overall supports exploration of options for the EIM long-term governance path and views the EIM Transitional Committee proposals in the Straw Proposal as feasible options. The EIM is a multi-state market and CDWR recognizes that non-California market participants assert a need to be represented in EIM governance. Any option

<p>should be fully authorized by California law establishing and governing the CAISO, and it is not clear that any of the options for EIM governance comport with existing laws.</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: None</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: None</p>
<p>Trigger for re-evaluating EIM governance</p>
<p>Comment: If successfully implemented, CDWR agrees that EIM governance should be re-evaluated no later than five years from when the EIM governing board is established.</p>
<p>Criteria for evaluating proposals – to revise and simplify the criteria for evaluating governance proposals, as reflected in the appendix</p>
<p>Comment: None</p>
<p>Miscellaneous items – Please provide comments to other aspects of the straw proposal or governance related issues here.</p>
<p>Comment: CDWR disagrees with the compensation methodology for the new five member EIM governing body. Based on the straw proposal, the “ISO would compensate EIM governing body members for their service”¹, “consistent with the compensation of the ISO Board”². It is unclear what compensation the CAISO Board members receive and if the duties/responsibilities of the EIM governing board are as significant as the BOG. Since the EIM governing body will not be representing CAISO market participants, CDWR feels that it should not cost CAISO members any money. The cost of the EIM governing body should be allocated to the members it will represent – non-CAISO market participants.</p>

¹ http://www.caiso.com/Documents/StrawProposal-LongTermGovernance_EnergyImbalanceMarket.pdf at P 13.

² *Id.* at P 14.