

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the draft final proposal for the EIM Governance posted on June 22, 2015.

[Please submit comments to EIM@caiso.com](mailto:EIM@caiso.com) by close of business July 9, 2015

The draft final proposal is available on the ISO website at:

http://www.caiso.com/Documents/Briefing_Governance_Proposal-DraftFinalProposal-June2015.pdf

The slides presented during the June 25, 2015 EIM Transitional Committee meeting are available at:

http://www.caiso.com/Documents/Briefing_GovernanceProposal-Presentation-Jun2015.pdf

The EIM Transitional Committee welcomes and appreciates stakeholder feedback related to the draft final proposal for the EIM Governance Development initiative.

Please use the following template to comment on the key topics addressed in the proposal. Organizing your submission around the different sections of the EIM governance proposal will assist the Committee in its review of the comments.

1. Basics of the EIM governing body

The Oregon Public Utility Commission appreciates this opportunity to comment on the EIM Transitional Committee's draft final proposal on EIM governance. The Transitional Committee has developed a thoughtful, reasoned proposal. In general, we support the proposal.

We agree with the Transitional Committee that establishing an independent EIM governing body with delegated authority from the ISO board is the only practical and constructive path forward. Further, we support the proposed charge to the EIM governing body to ensure efficient, effective, and fair market operation and to promote expansion of the EIM when it benefits consumers.

2. Selecting members of the EIM governing body (including the selection process and composition of the nominating committee)

We have no concerns with a state regulator being a voting member of the nominating committee.

3. Scope of authority (including the proposed process for resolving disputes about which body has primary authority over a particular policy initiative)

We support the Transitional Committee’s recommendations regarding scope of authority, and reinforce the suggestion that the ISO Board develop guidelines or rules to delineate which issues are EIM-specific, and which are ISO-generic. The EIM Transitional Committee provided useful examples to illustrate the two categories, but specific guidelines or rules will help minimize disputes over which entity has primary authority—and will also help ensure consistency in the resolution of any disputes that do arise.

Those rules should also provide more clarity on the process used by both entities when exercising their primary authority. For example, the rules should clarify the procedures to notify the EIM governing body of a proposed tariff amendment that is EIM-specific, as well as the amount of time the EIM governing body would have to review the change and make a decision. In addition, the rules should clarify what types of changes would qualify for treatment under the proposed “exigent circumstances” provision.

4. Composition and role of the advisory body of state regulators (including leaving development of their role and relationship with the ISO to the regulators themselves)

The proposed Advisory Body of State Regulators has a clear role and purpose: to educate and inform Commissions about the Energy Imbalance Market and market activities and to advise the EIM governing body on specific policy issues before the

body. We expect that the primary function of the Committee will be education and information and that the Committee will need to meet no more than two to three times a year.

We support the EIM Transitional Committee's recommendation for the creation of this committee with support by ISO staff on an as-needed basis (no permanent staff) and with payment for travel. If additional support is necessary, the Commissioners can draw on state commission staff or the staff of the Western Interstate Energy Board. We also support the suggestion that the Committee hold meetings in conjunction with other Western power group meetings

At this time, we do not support the creation of an independent entity with permanent staff to serve Western Commissioners to address EIM issues. It will add to costs while providing little or no added benefit to consumers. An alternative arrangement may be warranted in the future. The proposal should provide for that by allowing for the dissolution of the Advisory Body as proposed.

In addition, we recommend that the EIM governing body and Advisory Body take stock after 12 months to 18 months on the role, purpose, and value of the Advisory Body and recommend changes as warranted.

5. Regional Advisory Committee (including what issues the proposed committee should address and whether it would provide a productive forum for discussion of the issues and/or would enhance the ISO's existing stakeholder process)

The proposal says that the Regional Advisory Committee will not advise on individual policy issues before the EIM governing body and CAISO Board but rather “address broader issues of EIM market operations.” It is unclear to us what broad issues the Regional Advisory Committee should address and how those discussions will inform board actions. Without a clear-cut mission, the Committee will fail and therefore should not be created.

We recommend the EIM Transitional Committee consider the following options:

1. Allow this Committee to advise on policy issues before the EIM governing body and CAISO Board.
2. In lieu of a regional committee, create a quarterly forum led by EIM staff – open to all - to discuss operational issues. This would be similar to the issue forums sponsored by Peak Reliability.
3. Establish the Regional Advisory Committee for a set time period – say one year - and then take stock on whether the Committee is performing a useful function in the view of the EIM governing body and the organizations involved and make

recommendations for change as necessary.
6. Commitment to re-evaluate governance
We recommend one other criterion for review: A major entity or multiple entities outside of California joins the ISO as a Participating Transmission Owner.
7. Miscellaneous items.
We strongly support the provision at Section 11D, page 1: “In response to stakeholder feedback, the Transitional Committee has decided that it will continue to participate in the ISO’s process to ensure that the bylaw amendments and any other necessary changes are implemented consistent with the Committee’s final governance proposal.” The Transitional Committee has done yeoman’s work on this proposal and has the deepest knowledge of the proposal details. We look to the Transitional Committee to champion the proposal through to completion.