

Comments of Pacific Gas and Electric Company

EIM Year 1 Enhancements – Revised Draft Tariff Language

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator's (CAISO) Energy Imbalance Market (EIM) Year 1 Enhancements Initiative May 12, 2015 Revised Draft Tariff Language. PG&E raises a concern with an element of the proposed Tariff language that diverges from the EIM Year 1 Enhancements Draft Final Proposal.

We look forward to discussing PG&E's concern on the stakeholder call scheduled for May 26, 2015.

1. The revised Tariff language regarding the financial value of EIM transfers in the Real-Time Imbalance Energy Offset calculation diverges from the EIM Year 1 Enhancements Draft Final Proposal.

In the EIM Year 1 Enhancements Draft Final Proposal, and throughout the stakeholder process, the CAISO proposed to use the default generation aggregation point (DGAP) of the exporting balancing authority area to determine the financial value of the EIM transfers in the Real-Time Imbalance Energy Offset calculation. However, in the revised Tariff language the CAISO proposes to use the system marginal energy cost (SMEC). PG&E does not think it is appropriate to make this change in the tariff review process, where stakeholders do not have the opportunity to consider and discuss the impacts of this change. However, if the CAISO does move forward with the proposed tariff language, it should provide additional information and examples on the use of SMEC in valuing EIM transfers.