

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Donald Light Assistant General Counsel donald.light@pge.com 503-464-8315	Portland General Electric Company	October 25, 2013

Please use this template to provide your comments on the Energy Imbalance Market Revised Governance Proposal and Draft Charter posted on October 4. Submit comments to EIM@caiso.com. **Comments are due October 25, 2013 by 5:00pm**

Revised Governance Paper:

<http://www.caiso.com/Documents/RevisedGovernanceProposal-WhitePaper-EnergyImbalanceMarket.pdf>

Draft Charter:

<http://www.caiso.com/Documents/TransitionalCommitteeDraftCharter-EnergyImbalanceMarket.pdf>

Please provide your comments following each of the topics listed below:

- 1. Do you support the sector definitions and the nomination and ranking process for the Transitional Committee? Please explain the basis for your views.**

Comments: Portland General Electric Company (PGE) supports the sector definitions proposed in the Revised Governance Proposal and draft Transitional Committee Charter. With regard to the nomination and ranking process, PGE has some concerns with the current proposal.

First, with regard to the rankings by sector, the current proposal would leave to the sector liaisons the responsibility to “determine, by general consensus, the ranking process” to be used by that sector. While PGE does not believe this process needs to be spelled out in rigid detail in the Charter, PGE is concerned that there is *no* process guiding sector liaisons in developing the sector rankings.

PGE is also concerned with the CAISO Board's ability to exercise a great deal of discretion in seating the Transitional Committee. While the proposal calls for each sector to submit a ranked list of candidates, and the Board is required to appoint eight of the nine initial members of the Transitional Committee from that list, the Board is only required to "give careful consideration" to the rankings under Section II.C.2 of the proposed Charter.

Looking at these two concerns together, the process for seating the Transitional Committee consists of two steps: (1) a ranking process where CAISO-appointed sector liaisons have a great deal of discretion in developing candidate rankings; and (2) an appointment process where the CAISO Board has a great deal of discretion in seating the Transitional Committee. Given the important work the Transitional Committee will be tasked with during the critical formative period of the EIM, PGE believes there should be additional controls built into this process to ensure the appointment of a Transitional Committee that represents a diversity of viewpoints, and provides ample opportunity for the parties most interested in the development of this EIM to have substantial roles in the EIM development process.

2. Do you support the roles identified for the Transitional Committee and the decision-making processes for the committee outlined in the revised governance proposal and draft charter? Please explain the basis for your views.

Comments: PGE generally agrees with the two primary responsibilities of the Transitional Committee – advising the CAISO Board, and developing a proposal for long-term EIM governance. However, it is unclear to PGE whether the CAISO Board has any real obligation to consider and act on the advice of the Transitional Committee – both on general EIM development matters and the Transitional Committee's long-term governance proposal.

Over time, PGE believes that for this EIM effort to be most effective and to have the greatest chance of wide adoption, it needs to evolve into a stand-alone market utilizing certain of the CAISO's tools and processes, but largely divorced from other CAISO markets and operations. With the CAISO Board able to exercise a great deal of influence during the critical development phase of the EIM (and possibly beyond), it is unclear that the Transitional Committee will have enough independent authority to develop an EIM that will attract broad participation.

3. Do you have any comments on the draft charter? Please explain.

Comments: PGE does not have specific comments on the draft charter, except for those noted in response to questions 1 and 2.

4. Do you have any additional comments not covered above on the changes made in the revised governance proposal?

Comments: PGE does not have additional comments beyond those submitted in response to questions 1 and 2.