



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

January 26, 2015

CAISO – EIM Transitional Committee
250 Outcropping Way
Folsom, CA 95630

RE: Comments of Portland General Electric Company on the Conceptual Model for Governing the Energy Imbalance Market (EIM)

To the EIM Transitional Committee:

Portland General Electric Company (PGE) appreciates the opportunity to provide comments on the CAISO EIM Transitional Committee's *Issue Paper on Conceptual Models for Governing the EIM*, dated on January 5, 2015. PGE is working closely with regional entities to evaluate and assess the costs and benefits of an efficient market dispatch of electricity to help facilitate the integration of variable energy resources and to balance fluctuations in generation and load across a larger footprint.

EIM governance is pivotal in order to ensure a fair, balanced and reliable structure for market oversight and policymaking. The EIM governance model should be unbiased, and should protect the integrity of EIM operations across multiple states and jurisdictional boundaries, while respecting key regional distinctions. PGE believes that the CAISO EIM will attract a broader set of participants only if those prospective participants have confidence in the long-term EIM governance structure.

PGE believes the Transitional Committee should consider the third conceptual model of an autonomous governing structure as its first option, or a delegated authority that is independent of the CAISO Board as an alternative. With CAISO's intent to further expand the EIM outside of PacifiCorp and NV Energy's service territories, it will require greater coordination and collaboration of a governing body that is independent of CAISO's Board and its obligations to protect California interests. Accessing a larger footprint will also require a governing body that has the ability to resolve seams issues, diverse operational policies and regulatory issues from a well-balanced governing perspective.

The Transitional Committee requested that stakeholders consider some additional factors. PGE's response includes:

- More discussion is required to lay out the additional cost structure of an independent model, its initial estimate and what type of funding is needed to operate the EIM autonomously. As noted in the Issues Paper, an independent model may solicit more interest from potential participants that could help mitigate the costs.
- It is imperative that the EIM governing model is structured such that it will protect the broad interests of potential participants and their customers.

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Again, PGE appreciates the opportunity to provide comments to CAISO with regard to the Conceptual Governance Model Issues Paper. Should you have any questions, please contact me directly or the following individuals who are following this stakeholder process:

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Respectfully,



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