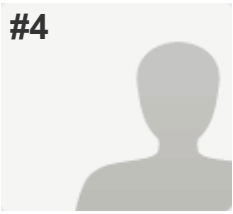


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PAGE 1:

Q1: Contact Information:

First/Last Name:

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Public Generating Pool

Q2: Since your organization has been participating in the EIM governance development process, how successful has the process been and what lessons can be learned from this experience?

PGP is pleased with the appointment of an independent EIM governing body selected by regional stakeholders that has delegated authority over the market rules of the EIM. We believe the selection process of the EIM governing body was successful in appointing independent candidates. The selection process relied heavily on stakeholder input from a Nominating Committee comprised of one member from each of the five stakeholder sectors, which was helpful in ensuring broad representation of stakeholder interests.

The Transitional Committee rightly developed the establishment of the Body of State Regulators (BOSR). As stated in the Final Governance Proposal, ISO activities interact with and affect state policy initiatives and state regulators have authority over many issues that are directly affected by the operation of the EIM and other wholesale markets.

MORE FORMALITY FOR REGIONAL ISSUES FORUM: PGP agrees with the concept of the Regional Issues Forum (RIF), however it has been slow to get started and has been mainly inactive. The RIF was contemplated to be a place where the interests of stakeholder groups outside the EIM but impacted by the EIM, such as neighboring Balancing Authority Areas, can be represented. In addition, the Transitional Committee envisioned that stakeholder representatives could reach agreement on complex and even potentially divisive issues when they work closely together in a group of manageable size. The Transitional Committee noted that in all other multi-state centralized markets, a body of designated sector representatives plays a key role in policy and market matters. The idea was to enhance the ISO's existing process for stakeholder input which centers on written comments rather than face-to-face communications. Some of the primary issues we have seen in the early months of the RIF are:

- The process for selecting the RIF representatives for each stakeholder sector and the role of those RIF representatives has been unclear.
- Due to the lack of clarity in roles and responsibilities of the RIF stakeholder representatives, there is seldom and inconsistent communication between the RIF representatives and the stakeholder groups themselves.
- The role of the ISO in deciding the role and responsibilities of the RIF is unclear.
- There have been limited number of meetings of the RIF and the stakeholder sectors to attempt to work through these issues.

LESSONS LEARNED:

Greater clarity about expectations for the RIF were needed initially and would still be helpful. Specifically,

- What types of issues are appropriate for the RIF? What types of issues are not appropriate?
 - What is the process for identifying those issues?
 - What is the process for stakeholder engagement among sectors?
 - What is the role of the RIF stakeholder representatives? What is their process for communicating with their stakeholder sector? What is their process for defining issues that go forward into the RIF?
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Q3: What, if anything, would you change in hindsight of your initial EIM experiences?

CLEAR ROLES AND RESPONSIBILITIES: In hindsight, it would have been helpful to have the role and responsibilities of the RIF and BOSR more clearly defined, including:

- The role of the RIF and BOSR in relation to the EIM Governing Body,
- The process by which the Body of State Regulators can provide direct input on EIM and ISO policy and market matters to the EIM Governing Body, and
- The communication expectations between designated stakeholder representatives to the RIF and the broader group of stakeholders.

An example of the lack of clarity of roles and communication among sectors occurred in August following the August 4th Regional Issues Forum. At that meeting, the ISO had indicated an interest in comments on the draft EIM External Resource Participation Principles presented at the meeting. PGP was provided the opportunity to comment through the RIF Adjacent Balancing Authority Areas stakeholder sector liaisons, although it was unclear if every stakeholder sector was informed of the comment period and it was also unclear how the comments were disseminated and processed. PGP had concerns that not all stakeholders were provided the opportunity to comment and that comments were not posted publicly. While PGP understands that the ISO was not holding a formal stakeholder process on EIM External Resource Participation, that should not have prohibited the ISO from allowing comments to be submitted and publicly posting the comments received. In hindsight, it would have been helpful for the timing, process and next steps for stakeholder comments on the EIM External Resource Participation to be clearly established prior to the end of the meeting.

Q4: Looking forward, what does success look like for the EIM Governing Body and for the EIM governance process in 12 months and then again in 24 months?

CLEAR METHOD FOR INPUT: A clear process that allows for direct input on EIM policy and market matters from key stakeholders. When policy changes and market issues are presented to the EIM Governing Body for decision by ISO Management, it is important that stakeholders are given an opportunity to provide direct input on the issue. The RIF and BOSR could be leveraged for this purpose. Representatives from the RIF and BOSR could be given time on the EIM Governing Body decision meeting agenda to provide oral or written input to the EIM Governing Body.

ADDITIONAL OR DEDICATED ISO STAFF: We recommend consideration of either expanding ISO staff or dedicating a certain number of ISO staff specifically to EIM issues. PGP has a growing concern that relying on ISO staff that support both the ISO and the EIM and requiring prioritization across ISO and EIM issues may impact the ability to advance important EIM related issues. Given the significant benefits generated by the EIM, PGP believes it is appropriate to have some base level of staff dedicated to EIM issues and that EIM affected parties can help prioritize what issues they would like to address with that staff time.

Additionally, we have heard the ISO voice concern that they may not be able to get to some EIM related issues due to these staff constraints and the need to work on other non-EIM issues, this is evidenced by the Draft Stakeholder Initiatives Catalog. It is suggested that the current comment process could move some discretionary items to the top of the list. However, the comment process relies on a prioritization across ISO market, regional expansion and EIM issues. Parties and regions are impacted differently by the ISO market, regional expansion versus EIM. Further, the number of parties affected by the ISO, expansion and the EIM may be different. A prioritization process across EIM and ISO markets cannot necessarily ensure high priority EIM issues are addressed.

Q5: Given the policy outlook over the next 12-18 months, how can the EIM Governing Body be most effective?

- Play an active role in ensuring that market enhancements to the EIM that are needed to fully develop and evolve the market are prioritized and receive the appropriate staffing.
 - Maintain an active role in ISO issues designated as advisory for the EIM Governing Board.
 - Continue to engage directly with stakeholders through participation in regional events and meetings, including RIF and BOSR meetings.
 - Ensure policy changes and market issues are thoroughly vetted through the stakeholder process and that all stakeholder comments received by the ISO, RIF or BOSR are posted publicly on the ISO website in a timely manner.
 - Take an active role in helping more clearly define the role and responsibilities of the Body of State Regulators and the Regional Issues Forum and how those forums can provide direct input to the EIM Governing Body.
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