

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Sarah Edmonds Sarah.Edmonds@pacificorp.com 503-813-6840	PacifiCorp	July 9, 2015

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 by close of business July 9, 2015](mailto:EIM@caiso.com)

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

PacifiCorp appreciates the opportunity to provide comments on the EIM Transitional Committee's ("Committee") draft final proposal on EIM governance. PacifiCorp supports the Committee's proposal with one exception.

PacifiCorp agrees with the Committee’s proposal that the EIM governing body should follow procedures and policies of the ISO’s Board of Governors, with compensation commensurate with actual work, which is expected to be less than that of the ISO Board members. To the extent the EIM governing body can follow the same process and procedures used by the ISO Board where possible, it will streamline the amount of time and effort stakeholders will need to expend to understand, engage in and follow the process. PacifiCorp agrees with the Committee’s proposal that a charter from the ISO Board detailing the EIM governing body’s role and responsibilities is necessary because this will be critical to the delineation of responsibilities between the ISO Board and the EIM governing body.

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

PacifiCorp supports the five stakeholder sectors proposed and further agrees with the composition of the voting and non-voting members of the nominating committee. PacifiCorp agrees with the general goals set out for identifying candidates, including the need for geographic diversity and strong diversity of expertise in the qualification of candidates. PacifiCorp supports the Committee’s proposal of the slate process and that confirmation or rejection will apply to the entire slate of nominees. PacifiCorp also supports the proposal for staggered terms of service on the EIM governing body as well as the other components of the proposal on membership selection.

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

PacifiCorp supports the Committee’s proposal on the EIM governing body’s scope of authority. Specifically, PacifiCorp agrees with the Committee’s recommendation that the ISO Board delegate “primary authority” to the EIM governing body for all market rules that are unique to, or would not exist but for, the EIM. Such delegated authority will likely be more thoroughly defined over time with actual experience. PacifiCorp also supports the proposal to present any tariff changes approved by the EIM governing body using its primary authority to the ISO Board for approval as part of its consent agenda.

PacifiCorp agrees with the Committee’s recommendation that the guidelines about the scope of authority should be developed through a public stakeholder process held after the ISO Board accepts an overall EIM governance structure. In addition, PacifiCorp supports the Committee’s clarification that “there should be no room for the ISO Board to exercise a ‘pocket veto’ over a proposal that has been approved by the EIM governing body, by simply declining to vote.”

PacifiCorp further agrees that the ISO staff should be charged with identifying and notifying each governing body (EIM governing body and ISO Board) regarding which governing body should have primary authority over each policy initiative. PacifiCorp also supports the Committee’s dispute resolution process when the governing parties

disagree with the ISO staff’s determination. PacifiCorp is optimistic that the determination will not be challenged frequently; however, it supports the dispute resolution process as an appropriate avenue for resolving disagreements in the event they do arise. PacifiCorp expects that the initial determinations may take some time to develop, but with experience and time, this delineation may become clearer.

PacifiCorp supports the documentation of the delegation of authority in the bylaws as proposed.

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 is expected to serve as a forum for keeping state regulators informed about specific policy issues, and as a forum for developing and expressing common positions regarding market issues. PacifiCorp supports the proposal to create an advisory body of state regulators including the proposed structure, comprised of members from the state commissions of each state in which an EIM entity operates. PacifiCorp would support the creation of the advisory body of state regulators as part of the ISO committee structure which would allow for facilitation by ISO staff. While PacifiCorp does not oppose other potential structures, it seems starting with this ISO committee construct is a good first step that could be revisited over time as the committee is expanded, overall ISO governance is changed or new circumstances dictate a different approach.

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)

PacifiCorp does not support creation of a regional advisory committee of stakeholders without further definition on what the role of the committee will be. PacifiCorp agrees with the Committee that a regional advisory committee should not displace the ISO’s existing process for stakeholder input. PacifiCorp is concerned about whether this will be a productive forum for discussion of issues without further definition of the role of the committee. PacifiCorp would support a forum concept where twice a year stakeholders are invited to an issues forum to discuss topics of interest and provide feedback to the ISO; however, given the new nature of the EIM governance structure, PacifiCorp is not sure the creation of this committee will provide additional value above what already exists in the ISO’s stakeholder processes. It may be more appropriate to allow the EIM governance structure an opportunity to operate before adding additional committees without understanding the value such committees may bring to the new process.

6. Commitment to re-evaluate governance

PacifiCorp supports the Committee’s recommendations regarding the timing and triggers for governance reassessment. Specifically, PacifiCorp agrees that the EIM governing body should initiate a reassessment of EIM governance no later than five years after its first meeting, and until then regularly consider whether circumstances call for such a reassessment. PacifiCorp also continues to support a broader effort to reevaluate overall ISO governance to ensure a more regional focus for the ISO.

7. Miscellaneous items.

PacifiCorp appreciates the work of the Committee and supports an ongoing role for the Committee (or a portion thereof) in ensuring the changes contemplated are implemented by the ISO consistent with the Committee’s final proposal.