

EIM Governing Body Survey
PacifiCorp Responses November 7, 2016

PacifiCorp EIM Background

PacifiCorp has been participating in the energy imbalance market (“EIM”) since November 1, 2014, and had a key role working with the ISO and other stakeholders on the EIM design, policy and first implementation. PacifiCorp’s initial experience implementing the EIM was successful. Of course, there are lessons to be learned not only from the initial implementation, but with the implementation of each new EIM Entity.

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?

PacifiCorp believes the Transitional Committee was critical in developing the EIM Governing Body and producing guidelines for the performance of the EIM Governing Body. The Transitional Committee successfully kept stakeholders informed of the process and provided opportunities for stakeholders to submit meaningful input. While lessons learned are a part of all processes, the Transitional Committee was successful in developing the EIM governance, and was able to resolve issues by working with the ISO and stakeholders, taking into account a wide range of perspectives. In addition, the EIM Nominating Committee was an important structural element to ensure broad-based representation from multiple sectors in the identification of an EIM Governing Body slate and will continue to serve a useful function in the identification of new members of the EIM Governing Body. As the EIM has grown and evolved throughout the west, a lesson learned for the future could include consideration of additional sector representatives for the EIM Nominating Committee.

What, if anything, would you change in hindsight of your initial EIM experiences?

The EIM continues to expand and evolve, and lessons have been learned with each implementation. With additional EIM-specific educational outreach, current and prospective EIM participants could benefit from early identification of any market seams issues and opportunities to correct perceived market issues. PacifiCorp shared its initial lessons learned with the ISO and continues to share its lessons learned with other entities interested in the EIM. Many of the lessons learned from the initial EIM implementation were helpful in making improvements to the implementation process for subsequent EIM participants. For example, the price excursions realized soon after the initial go-live were analyzed and later remedied with a market design change. In the interim, the ISO held a stakeholder process and made tariff changes to allow for a transition period, during which time a pricing waiver would be in place to mitigate the pricing excursions. Other enhancements have also been made as a result of lessons learned, not only from PacifiCorp, but from subsequent participants as well. PacifiCorp encourages the continuation of lessons learned either on an informal basis as PacifiCorp and other EIM Entities have done on their own initiative or through the ISO. PacifiCorp also supports ISO-led efforts to provide instruction or tutorials focused on EIM invoicing and settlements for all market participants.

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?

PacifiCorp believes the EIM Governing Body has already shown a tremendous interest and commitment to EIM-related stakeholder processes and issues, and expects that level of engagement with stakeholders to continue, through targeted meetings with stakeholders and coordination with the Regional Issues Forum and the EIM Body of State Regulators. PacifiCorp sees the EIM Governing Body adhering to the governance guidelines initially created by the Transitional Committee, in the body's engagement with the ISO and stakeholders through its primary authority and advisory roles. While members of the body may change within the next 12-24 months, PacifiCorp believes a successful EIM Governing Body will endeavor to educate new body members and maintain its momentum through such changes. In addition, PacifiCorp expects the EIM Governing Body, through work with the ISO and stakeholders, to ensure the EIM model continues to evolve through enhancements, while maintaining the benefits of the EIM.

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

PacifiCorp appreciates the commitment to stakeholders already exhibited by the EIM Governing Body, and its efforts to coordinate with stakeholders, the ISO, the Regional Issues Forum and the Body of State Regulators in support of reliable, reasonable, and efficient EIM expansion. PacifiCorp believes that the EIM Governing Body can be most effective with policy matters by exercising all of its rights and opportunities for input on ISO policy initiatives under the body's primary authority and advisory roles, including conveyance of the body's assenting and dissenting opinions on policy initiatives.