

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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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:

Yes, subject to the following comments. The sector definitions and the nomination and ranking process continue to require additional clarification. Specifically, the Transitional Committee draft charter should clarify that an EIM Entity's position on the Transitional Committee will not be interpreted as representing the EIM Participants sector. EIM participants that are not EIM Entities may have viewpoints that are unique to the level and substance of their participation in the EIM, and may or may not necessarily align with an EIM Entities' participation. As a result, the EIM Participants sector should be

designed to provide input on Transitional Committee nominees and rankings to the Board from EIM Participants.

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:

Yes, PacifiCorp generally supports the roles identified for the Transitional Committee and the decision-making processes for the committee outlined in the revised governance proposal and draft charter. However, PacifiCorp offers the following comments for consideration.

First, the ISO should clarify that the Transitional Committee's role is focused on successful and timely implementation of the EIM market design policies established through the ISO EIM stakeholder process. The Transitional Committee's role should not include reconsideration of settled EIM market design policies. The Transitional Committee should also not duplicate the work already completed by interested stakeholders as part of the extensive ISO EIM stakeholder process.

Second, in addition to the requirement that the Transitional Committee provide both a majority and minority opinion with its recommendations to the Board, the Transitional Committee should also expressly describe the position of EIM Entities on the Transitional Committee. Given the EIM Entities role in the EIM, their positions will be important for the Board to consider to ensure the success of the EIM.

Finally, while the ISO's response to comments on the initial Governance Proposal indicates that the ISO does not intend to limit the Transitional Committee's consideration of any long-term, independent governance structure, the guidelines and parameters described in the draft charter and revised Governance Proposal may be too limiting. To the extent guiding principles are included in the draft charter or revised Governance Proposal, they should be high-level and avoid unnecessarily constraining the Transitional Committee's ability to consider and develop an independent governance structure.

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

Comments:

Yes. Many of the proposed edits are described in response to Question 2 above. Nonetheless, PacifiCorp provides the following comments specific to the draft Transitional Committee charter.

Section I and Section IV.A of the draft charter should be revised to clarify that the Transitional Committee's role is to assist the Board in the initial implementation of the market design policies for the EIM as established through the ISO EIM stakeholder process.

Section II.A of the draft charter should be clarified so that no two Transitional Committee members from the ranked lists of candidates provided by the stakeholder sectors shall be from the same corporation or affiliated group.

Section III.B of the draft charter should be revised to provide that actions can be taken by the Transitional Committee following an affirmative vote of the majority of members in attendance once a quorum is obtained. Otherwise, Transitional Committee members may be able to disrupt the committee's ability to make recommendations to the Board simply by their absence. In addition, members of the Transitional Committee should be required to articulate their positions in opposition to any matter to foster discussion among the committee and provide a well-reasoned recommendation and minority opinion to the Board.

Section IV.A of the draft charter should be revised to require the Transitional Committee to provide a description and rationale for any recommendation to the Board, any minority opinion, and the position of the EIM Entities on the Transitional Committee. Successful implementation of the EIM will require direct input from EIM Entities.

Section IV.B of the draft charter should be revised to ensure that any guiding principles for the long-term, independent governance structure are high-level and do not unnecessarily constrain the Transitional Committee in its consideration of an independent governance structure. The Transitional Committee should have the discretion to make policy and design recommendations with respect to the development of an independent governance structure necessary to achieve the objectives identified in the Governance Proposal for the EIM.

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

Comments:

PacifiCorp's comments above are made in relation to both the draft Transitional Committee charter and the revised Governance Proposal.