

Stakeholder Comments

**Energy Imbalance Market
Draft Final Tariff**

Submitted by	Company	Date Submitted
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SMUD appreciates the California Independent System Operator Corporation (CAISO) providing this opportunity to comment on the CAISO’s January 16, 2014 Energy Imbalance Market (EIM) Draft Final Tariff. We also thank the CAISO for making changes to the Tariff responsive to SMUD’s previous set of comments.

Business Practice Manual

SMUD observes that the Tariff makes numerous references to the Business Practice Manual (BPM) for the Energy Imbalance Market, which will contain many important details. As this BPM will be an integral part of the EIM, SMUD looks forward to the CAISO beginning development of the BPM as soon as possible.

EIM Implementation Agreement

SMUD notes that EIM Implementation Agreement is a defined agreement in section 29.2(b). However, it is not a defined term in the section New EIM Defined Terms. SMUD suggests including a definition such as:

“An agreement between a Balancing Authority wishing to become an EIM Entity and the CAISO, the details of which are set forth in Section 29.2(b)”.

In addition, there is no pro-forma EIM Implementation Agreement included as an Appendix. Is it the CAISO’s intent not to have a pro-forma agreement? If the CAISO intends to create a pro-forma EIM Implementation Agreement, the definition suggested above could be revised to reference Appendix B.

Greenhouse Gas Adder

Sections 29.32(b) and (d) recognize the CAISO’s consideration of Greenhouse Gas (GHG) adders in market clearing. However, the language appears too narrow by limiting CAISO

consideration of energy imported into only the CAISO Balancing Authority Area. Besides EIM imports into the CAISO Balancing Authority Area, the CAISO should also account for the adders for energy imported into any California EIM Entity Balancing Authority Area regardless of what load it ends up serving. The current language would prevent the application of GHG adders in the market for energy imported to a California-based EIM Entity Balancing Authority Area.