

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Bonnie Blair Rebecca Sterzinar Thompson Coburn LLP 1909 K Street, N.W., Suite 600 Washington, DC 20006 Telephone: (202) 585-6900 Fax: (202) 585-6969 bblair@thompsoncoburn.com rsterzinar@thompsoncoburn.com	Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California ("Six Cities")	October 25, 2013

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:

At this time, the Six Cities do not take a position with respect to the sector definitions or the nomination and ranking process for the Transitional Committee.

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:

The Six Cities do not support the roles identified for the Transitional Committee. As included in the draft charter, the ISO identifies two responsibilities of the EIM Transitional Committee: (1) advise the ISO Board of Governors on EIM matters (for example, EIM market design initiatives and EIM transmission access charges or rights); and (2) develop a proposal for a long-term EIM governance structure.

Rather than take on the two roles proposed by the ISO, the Transitional Committee should be formed for the sole purpose of developing a long-term EIM governance structure. The ISO's proposal that the Transitional Committee also advise the ISO Board on such EIM matters as market simulations, early operations, testing, and implementation will serve as a distraction to the task of creating the long-term governance structure. The Transitional Committee's role should be focused only on that structure, and not on other responsibilities that will divert resources from ensuring that there is an effective governance structure in place going forward.

Additionally, assigning the Transitional Committee the role of advising the ISO Board with respect to EIM design and operational matters gives Transitional Committee representatives a greater say in market design and operations issues. Because the Transitional Committee will not necessarily include one representative from each sector, some sectors will have more input in EIM design matters than others. EIM matters should be handled only through the ISO stakeholder process so that all EIM market participants will have input as to how the EIM is designed and how it operates. The ISO's stakeholder process is the appropriate forum for consideration of market design and operational issues.

Further, assigning two entities to handle EIM design and operations matters – the ISO and the Transitional Committee – creates a duplicate burden on stakeholders to follow two mechanisms for input on EIM design issues. These issues should be addressed only through the ISO stakeholder process and not considered simultaneously by the Transitional Committee.

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

Comments:

As stated in response to Topic 2, above, the Transitional Committee should not be tasked with advising the ISO Board on matters related to EIM market design initiatives or other similar matters. Section IV of the draft charter outlines the responsibilities of the EIM Transitional Committee. The draft charter should be revised to remove Section IV.A, which explains the EIM's responsibility to advise the ISO Board of Governors on EIM matters. The EIM Transitional Committee's responsibilities should be limited to matters related to developing a proposal for a long-term EIM governance structure, as outlined in Section IV.B of the draft charter.

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

Comments:

At this time, the Six Cities have no additional comments on the changes made in the revised governance proposal.