

EIM Governance Review Committee Straw Proposal Tacoma Power Comments

April 29, 2019

Tacoma Power appreciates the opportunity to comment on California ISO's Energy Imbalance Market (EIM) Governance Review Straw Proposal for Formation of an EIM Governance Review Committee dated April 1, 2019. Tacoma Power is a member of the Public Generating Pool (PGP). We generally support the comments submitted today on behalf of the PGP members, but there is an additional perspective that we would like to raise that is unique to Tacoma Power.

Tacoma Power is a publicly-owned municipal utility in Washington state that owns approximately 792 MW of carbon-free hydroelectric generation. While we are a major purchaser of power and transmission services from the Bonneville Power Administration (BPA), we are not part of BPA's balancing authority (BA). We operate our own BA and are registered with NERC to perform several functions including those of a transmission operator (TO) and transmission service provider (TSP). As a recently certified scheduling coordinator and soon-to-be recipient of California ISO Reliability Coordinator services, we are embracing a more significant role for the California ISO in the operation of our utility. Accordingly, Tacoma Power has a strong interest in being actively involved in the EIM Governance Review, including the formation of the EIM Governance Review Committee.

Tacoma Power is one of three PGP members that operates its own BA, the other two being Grant County PUD and Chelan County PUD. It is our understanding that Grant, Chelan, and Tacoma are not eligible to participate in the Publicly-Owned Utilities Sector, one of the five stakeholder sectors that will be charged with developing a list of nominees and then ranking the nominees for the EIM Governance Review Committee. BPA, on the other hand, will be in the EIM Entities Sector because they have entered into a formal process to consider joining the EIM; consequently, the other seven PGP members will be eligible to participate in the Publicly-Owned Utilities Sector because they are within BPA's BA.

We acknowledge the CAISO's interest in including in this process only those stakeholder and industry sectors that are involved in some direct way in the EIM, *i.e.*, "that have some skin in the game". In Tacoma's case, we believe we can meet that criteria in the same manner as BPA.

Since 2016, Tacoma Power has conducted annual assessments that looked at the benefits, costs, and risks of Tacoma Power participating in the EIM. Our business case for joining the EIM was not compelling until very recently. Tacoma Power executives are now recommending to our governing body that Tacoma Power join the EIM, with a Go-Live date of April 2022. Senior management will present this recommendation to our Public Utility Board (PUB) for discussion on May 8, 2019 at a public meeting and will likely seek a formal resolution authorizing EIM participation from the PUB in June 2019.

In light of this timeline to formally join the EIM, we believe that Tacoma Power meets the criteria to be a member of the EIM Entity Sector, *i.e.*, any balancing authority that has entered into a formal public process to consider joining the EIM. If for some reason this is not the case and Tacoma is not eligible to be a member of the EIM Entity Sector, we would ask that Tacoma Power be allowed to participate in the Publicly-Owned Utilities Sector, rather than being excluded totally from this process.