

Western Power Trading Forum Comments on EIM Yr 1 Enhancements Phase 2

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WPTF appreciates the opportunity to submit these comments on the ISO's June 30, 2015 EIM, Yr 1 Enhancements, Phase 2, straw proposal and issue paper. WPTF finds few areas of substance on which to comment thus far. WPTF offers its limited comments below.

- **EIM Transmission Charge**

The EIM Transmission Charge design offers the ISO the ability to both maintain the absence of pancaked rates and consider whether its current structure is equitable. The ISO's existing approach of reciprocity maintains an absence of pancaked rates. It seems it is equitable between the ISO and EIM if there is relative equitable flows to and from respective EIMs. It appears that it is not entirely equitable between EIM users and IFM/FMM users if the IFM/FMM exporters to PAC pay ISO wheeling out fees and the EIM exporters out, do not. WPTF looks forward to the ISO's data and its follow up analysis for an indication of these various perspectives of equity.

- **Congestion Rents**

The ISO has proposed models whereby loads in one BAA or another receive the respective excess congestion rents. However, the rents should be allocated to those who contribute the transmission - either by means of transfer capability, network system or by means of transmission rights usage. In some cases, the load is a good proxy for such owners/rights holders. In other cases, it is not. For example, if a WPTF member pays for long-term firm transmission service, after which the ISO/EIM uses it for real-time flows, it would seem that excess congestion rents should be allocated back to the WPTF member that holds the transmission rights rather than to the ISO/EIM (e.g., PacifiCorp's loads). WPTF would appreciate further consideration of the merits of the respective means of allocating the excess congestion rents.

- **Third Party Transmission**

In its issue paper, the ISO raises the issue of third-party transmission compensation. Compensation for third party transmission seems reasonable. However, it might be fruitful to first articulate the means by which third parties will offer their transmission for such EIM use. What mechanisms does the ISO expect to employ to identify and to contract for in terms of third party transmission? What parameters of use will be associated with third party transmission?

Questions like these are reasonable to address in advance in order to develop a detailed mechanism for compensation.

- **15-Minute Bidding on Interties**

WPTF continues to strongly encourage the ISO to promote open access and deep participation in the EIMs. Participation at the interties is an important means to increase the pool of resources within each EIM, thereby, promoting liquidity.

We appreciate your consideration of these comments. We look forward to further dialog on these issues.