



Department of Energy

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Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

**California ISO EIM Governance Review
Draft Final Proposal on Revision of Decisional Classification Rules
February 11, 2019
Bonneville Power Administration Comments**

Submitted by	Entity	Date Submitted
Suzanne Cooper Vice President, Bulk Marketing	Bonneville Power Administration	March 1, 2019

The Bonneville Power Administration (Bonneville) appreciates the opportunity to comment on the ISO’s recent February 11, 2019 publication of its Energy Imbalance Market (EIM) Governance Review Draft Final Proposal on Revision of Decisional Classification Rules (Proposal). Bonneville is a federal power marketing administration (PMA) within the U.S. Department of Energy that markets electric power from 31 federal hydroelectric projects and some non-federal projects in the Pacific Northwest with a nameplate capacity of 22,500 MW. Bonneville currently supplies 30 percent of the power consumed in the Northwest. Bonneville also operates 15,000 miles of high voltage transmission that interconnects most of the other transmission systems in the Northwest with Canada and California. Bonneville is obligated by statute to serve Northwest municipalities, public utility districts, cooperatives and then other regional entities prior to selling power out of the region.

Bonneville is pleased the ISO is proceeding with the December 14, 2019 Straw Proposal’s recommendation to incrementally expand the EIM Governing Body’s primary authority to include proposed changes to generally applicable rules of the real-time market if the primary driver for the change is the EIM. While Bonneville supports the Proposal, Bonneville is unclear of its effect on the decisional classification of current and future policy initiatives. To better understand the impact of the Proposal, Bonneville requests that the ISO illustrate which initiatives, if any, from the 2019 Policy Initiatives Roadmap would be reclassified from the EIM Governing Body’s advisory authority to its primary authority under the change. Bonneville looks forward to the upcoming March 12 and March 27–28, 2019 meetings of the EIM Governing Body and the ISO Board of Governors for final decisions on the Proposal.

Bonneville recognizes that this Proposal is a preliminary step in the EIM governance review process and understands that this initial change to the classification rules will be followed by a process to engage on a broader set of governance issues that affect current EIM and real-time market operations. Given its limited scope and the quick process to advance the Proposal, Bonneville expects that this preliminary effort should not disrupt the timeline to engage on the broader governance issues. Moreover, Bonneville urges the ISO to establish the process and scope for a comprehensive EIM governance review and to publish a draft timeline for this effort as soon as possible. As expressed in its January 18, 2019 EIM Governance Review comments, Bonneville believes that the scope of the review should include, but not be limited to:

- Expansion of the primary authority of the EIM Governing Body over the real-time market and any extension of the day-ahead market to EIM Entities;
- Consideration of an advisory board comprised of representatives from federal PMAs and public power entities within the EIM market footprint comparable to the Body of State Regulators;
- Improvements to the durability of the EIM governance structure;
- Function of the advisory bodies, such as a formal advisory role for the Regional Issues Forum;
- EIM Governing Body's autonomy over the development of its meeting agendas; and
- Ability of the EIM Governing Body to seek direct input from stakeholders as part of its deliberation of the ISO's annual policy initiatives roadmap.

Finally, Bonneville reiterates its support for the expeditious formation of a working group to develop EIM governance proposals for stakeholder input. As detailed in its January 18, 2019 comments, the interests of federal PMAs as well as Northwest public power entities are distinct given their geography, customer bases, resource portfolios, and statutory constructs and obligations, and warrant adequate representation in the EIM governance structure. Such entities are underrepresented in the current EIM governance structure, especially given the continued expansion of the EIM's footprint and scope. Therefore, Bonneville reiterates its expectation that the working group be comprised of a diverse set of industry sectors, including direct representation from federal PMAs and Northwest public power to ensure their interests are appropriately considered in future EIM governance proposals.

Thank you for your consideration of these comments. Bonneville looks forward to further engagement on the EIM governance review process.