

Memorandum

To: EIM Transitional Committee
From: Stacey Crowley, Director, Regional Affairs
Date: August 13, 2014
Re: **Update on Energy Imbalance Market**

INTRODUCTION

Since your first meeting (July 1) there has been progress on a number of items related to the implementation of the energy imbalance market. Because there will be nearly two months between your first and second meeting (August 26), I have included a brief summary of the relevant and recent activity below. Some of this will be reviewed and updated at your meeting in Las Vegas.

Regulatory updates

1. [Compliance filing](#) submitted to FERC July 21
 - a. Clarification of matters described in the [July1 presentation](#)
 - b. Comments are due Aug 11
2. [Request for rehearing](#) filed with FERC July 21
 - a. Issues of ISO taking title to energy issue associated with EIM transfers
 - b. No impact on EIM implementation
3. [Tariff amendments](#) submitted to FERC July 23
 - a. Inclusion of PAC's EIM transfer constraints in our market power mitigation procedures
 - b. Account for transitions costs of multi-stage resources that are fuel sources other than natural gas
 - c. Clarify general settlement provisions apply to EIM market participants
 - d. Comments due August 13
4. [NV Energy participation in EIM](#) (with [errata](#) to Attachment C)
 - a. PUCN Hearing on docket number 14-04024 was July 28

- b. PUCN commission meeting with decisional item set for August 27, with draft order expected to be publicly available by August 23
- 5. [First Amended EIM Entity Agreement](#) submitted to FERC August 6
 - a. Enables PacifiCorp submission of a 5-minute dynamic and 15-minute static e-tag to account for EIM Transfers
 - b. Comments are due August 27

Implementation updates

- 1. [Draft of Business Practice Manual](#) posted on July 1
 - a. Began formal [review process](#) on July 23
 - b. Comments due Aug 8
- 2. Updated assessment of potential market power in EIM
 - a. Department of Market Monitoring (DMM) submitted [a memo](#) to the Board on July 8 updating their analysis of the structural competitiveness of the PacifiCorp BAAs
 - b. Market Surveillance Committee (MSC) [opinion letter](#) on the “LMPM Implementation in the Energy Imbalance Market” provided to the Board on July 7
- 3. Market Simulation
 - a. [Fall release presentation](#) provided on kick-off call July 28

The ISO is pleased with the progress and I look forward to providing additional information as it becomes available.

Please let me know if you have any questions.

Sincerely,
Stacey Crowley