

Thank you for the opportunity to provide feedback on the draft EIM design.

Grant County PUD (Grant) has been actively following the CAISO/PAC EIM efforts and views the proposed market as being overall beneficial. In a letter in support of the effort at the CAISO March Board meeting, we expressed concern that there are some issues that may arise if Grant were to be incorporated into an EIM, which may not come to light with PAC, due to unique features of Grant. After reading the EIM Straw proposal and attending the April 11th stakeholder meeting, Grant offers the following comments:

- Transmission. The straw proposal leaves transmission costs as an open issue. Grant supports the CAISO's proposal that there be no charge for as-available transmission used in the EIM market. However, this proposal is for "initial EIM implementation" and further recognizes that non-CAISO TO's may adopt transmission rates for transmission used in an EIM, "subject to certain agreed upon limits established by the EIM design". The uncertainty created by potential, unknown transmission charges is a major consideration for Grant, which is not directly interconnected with the CAISO. The value of participation in an EIM could be greatly diminished – or completely eliminated – if transmission charges were adopted for as-available EIM uses. This threshold issue will need to be better defined prior to major resources being committed by Grant in the EIM effort.
- Incorporation of EIM Entities. In the straw proposal, the CAISO will undertake a comprehensive redispatch of loads and resources within an EIM entity's Balancing Area. Given the small size of Grant's Balancing Area, the benefits of five minute redispatch within our system would appear to be small. Further, incorporation of an Entity into the optimization and settlements processes of the EIM are driven in part by meter reads within each Entity's BA. Such a construct may not be compatible with how Grant (and other Mid-C resources) operates as part of Mid-C Hourly Coordination (MCHC). In MCHC, the Columbia River hydro generation assets of Grant PUD, Chelan PUD and Douglas PUD (and to a certain extent BPA upstream powerhouses) are pooled and generation requirements are allocated across those resources in order to optimize hydro operations. This makes it difficult to produce meter reads to be used as envisioned in the EIM workflow, although it may be possible to use Mid-C allocated generation in place of meters.
- Imports. The Straw Proposal does not provide a great deal of clarity around the treatment of imports/exports with the EIM. Given the difficulties of incorporating MCHC into the EIM optimization process, it may make more sense for Grant, and similarly situated entities, to participate as interchange imports/exports with deemed delivered dynamic schedules in lieu of meter reads. Such an arrangement seems to be contemplated in section 3.6.2 of the straw proposal. This may raise issues around BAs "leaning" on an EIM. Grant firmly believes in a requirement for capacity sufficiency and feels that any concerns could be resolved through robust Resource Sufficiency showings. Grant suggests that it may be necessary to establish a third type of entity "EIM Border Participant", and that a set of rules should be considered to define this type of participation in the proposed CAISO EIM.
- Stakeholder process. The operation of the proposed EIM is very well defined as it makes use of current CAISO systems. However, for prospective participants, which are not current CAISO participants, the process may not be well understood. A series of educational sessions to more fully explain the EIM should be considered in the regions into which the CAISO hopes to expand. During these sessions, the CAISO would also become aware of the unique challenges that confront parties in other regions as they consider participation in the CAISO EIM.

Thank you for the opportunity to submit comments on the draft design of an EIM market. Grant looks forward to continued participation in this effort.

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