

June 11, 2019

## **Northwest Requirements Utilities Comments on the Draft Final Proposal for Formation of an EIM Governance Review Committee**

Northwest Requirements Utilities (“NRU”) appreciates this opportunity to comment on the California Independent System Operator (“CAISO”) May 21st *Draft Final Proposal for Formation of an EIM Governance Review Committee*. NRU’s members include municipalities, public utility districts, tribal utilities, and electric cooperatives, all of which purchase wholesale power from the Bonneville Power Administration (“Bonneville”) on a preferential basis. NRU utilities are located throughout seven states, twenty-six of which are located in the balancing authority areas (BAAs) of existing EIM entities.

As we have stated previously, EIM governance is a significant factor NRU is considering as we participate in Bonneville’s process to determine whether or not it will join the EIM, and we value the opportunity to engage in the CAISO’s stakeholder process on this topic. We have been pleased with the process and CAISO staff’s willingness to continue to evolve its proposal to address stakeholders’ concerns. We support the Draft Final Proposal but submit these comments regarding sector definitions for the CAISO’s consideration.

In NRU’s April 29th comments, we expressed support for the sector definitions put forth in the CAISO straw proposal. Under the straw proposal, entities engaged in a formal public process to consider joining the EIM, such as Bonneville, would be included in the EIM Entities sector. However, recognizing that not all stakeholders would be supportive of this proposal, NRU suggested that the CAISO include a sector specifically for Power Marketing Authorities (PMAs) recognizing their unique perspective given their myriad of statutory obligations and distinctive role they play in the region.

Instead of creating a sector for PMAs, CAISO staff propose the inclusion of a “Pending New EIM Participants Sector,” which would include entities such as Bonneville and “any publicly-owned utility, other load-serving entity, or supplier of generation within such a balancing authority.” NRU supports the inclusion of this new sector that will allow Bonneville to participate in the nomination process for Governance Review Committee

(GRC) members. Bonneville will be making a decision on whether to sign an Implementation Agreement in September, and it would be unfortunate if Bonneville was unable to participate in the nomination process given its decision will come shortly after or in the middle of the GRC member selection process.

Generally, it seems the purpose of the sectors is to group similarly-situated entities together. However, the inclusion of the publicly-owned utilities, other load-serving entities, and suppliers of generation in Bonneville's BAA in this sector creates some confusion. Publicly-owned utilities who exist in Bonneville's BAA are going to have similar interests as publicly-owned utilities in the BAAs of other EIM entities. About half of NRU's members are located in the BAAs of existing EIM entities and about half are located in Bonneville's BAA. As such, one significant and common interest among the NRU membership is in ensuring fair treatment of publicly-owned utilities that are not participating in the EIM but are impacted by the EIM by virtue of being located in the BAA of an EIM Entity. This is a separate and distinct interest than Bonneville will have as a potential EIM Entity. If the current sector definitions are maintained, NRU will represent their members in both sectors as this appropriately captures the diversity of our membership. Alternatively, CAISO could consider having publicly-owned utilities located in Bonneville's BAA be included in the Publicly-Owned Utilities sector.

Thank you for considering our comments and providing the opportunity to engage in the EIM governance review process.

Sincerely,

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