

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the draft final proposal for the EIM Governance posted on June 22, 2015.

Please submit comments to EIM@caiso.com by close of business July 9, 2015

The draft final proposal is available on the ISO website at:

http://www.caiso.com/Documents/Briefing_Governance_Proposal-DraftFinalProposal-June2015.pdf

The slides presented during the June 25, 2015 EIM Transitional Committee meeting are available at:

http://www.caiso.com/Documents/Briefing_GovernanceProposal-Presentation-Jun2015.pdf

The EIM Transitional Committee welcomes and appreciates stakeholder feedback related to the draft final proposal for the EIM Governance Development initiative.

Please use the following template to comment on the key topics addressed in the proposal. Organizing your submission around the different sections of the EIM governance proposal will assist the Committee in its review of the comments.

1. Basics of the EIM governing body

Comment:

The proposal provides that the EIM governing body overall should reflect diversity of expertise, so that it is not dominated by members who specialize in one subject area, such as operations or utility regulation, as well as geographic diversity.

NV Energy is highly supportive of the proposal's commitment to have diverse expertise and experience represented in the governing body. NV Energy also supports the comments of Puget Sound that the Final Proposal further substantiate that commitment by including a requirement that the geographic diversity and diversity of expertise of members be drafted into the amended ISO bylaws and that such requirement clearly define "geographic diversity" and/or "excessive representation." Minimum standards for diversity are too important to be left undefined.

2. Selecting members of the EIM governing body (including the selection process and composition of the nominating committee)

Comment:

NV Energy supports the proposed selection process.

3. Scope of authority (including the proposed process for resolving disputes about which body has primary authority over a particular policy initiative)

Comment:

The Committee's proposed division of responsibility, whereby the EIM governing body serves as primary decision-maker on market rules specific to EIM and occupies an advisory role on other market rules that affect EIM, is reasonable. NV Energy appreciates and supports as an appropriate solution the proposal the Committee has put forth to resolve any potential disagreement as to which entity has primary authority.

4. Composition and role of the advisory body of state regulators (including leaving development of their role and relationship with the ISO to the regulators themselves)

Comment:

NV Energy supports the proposal with respect to the advisory body of state regulators.

5. Regional Advisory Committee (including what issues the proposed committee should address and whether it would provide a productive forum for discussion of the issues and/or would enhance the ISO's existing stakeholder process)

Comment:

NV Energy supports the proposed Regional Advisory Committee.

6. Commitment to re-evaluate governance

Comment:

While NV Energy believes a regional EIM should be ultimately governed by an independent body with members who are free from conflicts of interest, NV Energy understands the practicalities of the immediate need to provide a form of independent oversight of the EIM within the legal limitations related to the current CAISO Board structure and supports the proposed structure. NV Energy reiterates its prior comment that there should be a commitment written into the CAISO governing documents that the CAISO Board and EIM governing body must commence advocacy for necessary changes to California state law to promote a fully independent board up a re-evaluation trigger. Further, given the current participation of PacifiCorp and the future participation by NV Energy, Puget and Arizona Public Service, a strong argument can be made that the “trigger” for initiating movement to a single independent board has already been met. Five years seems too long to begin to push for the necessary legislative reforms.

Accordingly, NV Energy would support, in parallel with the EIM governance consistent with the Committee’s recommendation, the commencement of a process for a permanent change in the CAISO Board structure.

7. Miscellaneous items.

Comment:

NV Energy appreciates the committee’s consideration of and response to the issue of cost allocation to market participants.