

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Fred Heutte Senior Policy Associate 503.757-6222 fred@nwenergy.org	NW Energy Coalition	September 6, 2013

Please use this template to provide your comments on the Energy Imbalance Market Governance White Paper posted on August 13.

Submit comments to EIM@caiso.com

[Comments are due September 6, 2013 by 5:00pm](#)

Please provide your comments following each of the topics listed below:

- 1. Do you support the roles identified for the transition committee – i.e., to provide the Board with input on EIM-related issues during start-up and early implementation and to develop a proposal for an independent governance structure? Please explain the basis for your views.**

Comments: Generally speaking, we support the approach being proposed in the draft Governance Proposal. The ISO clearly understands and supports the need for full and meaningful involvement of stakeholders in developing a fair and effective Energy Imbalance Market, and the proposed Transitional Committee will assist in that objective. This is important not only for NW Energy Coalition's involvement, but to insure the broadest and deepest understanding throughout the region of the evolving proposal, and to provide the full range of views and insights that can assist the ISO, PacifiCorp and potentially other participants in the proposed EIM.

- 2. Do you support the sector definitions and the nomination and ranking process for the transition committee? Please explain the basis for your views.**

Comments: The draft proposes that one sector encompass "Government agencies and public interest entities." For several reasons we suggest these be separated in two separate sectors.

Government entities have a very different relationship to this process than do non-governmental organizations. Specific government entities play direct legislative, executive (especially regulatory) and judicial roles affecting the ISO. Government in general has ultimate responsibility for the proper functioning of the proposed EIM from the perspective of all parts of society.

Public interest entities are voluntary associations representing specific viewpoints and experience that have a legitimate role in the development and operation of entities such as the EIM.

Furthermore, since the sectors designated here to provide nominations to the Transitional Committee may be a precursor to a class or sector structure for representation within the eventual governance of an EIM, we feel it is important to make this distinction from the beginning.

Similarly, organizations such as the Western Electricity Coordinating Council have separate classes for governmental and non-governmental organizations.

3. Do you support the number of members in the transition committee and its composition? Please explain the basis for your views.

Comments: Seven members would be an appropriate size, but a slightly larger number could also be effective and may help accommodate a wider range of views.

4. Do you support the independence proposals identified in the paper for long-term independent EIM structure? Please explain the basis for your views.

Comments: We support the direction for an independent EIM governing entity as indicated in the proposal: "Such a structure requires that the membership of the EIM governing entity be independent, and it would thus be made up of a diverse group of individuals that are not employed by or affiliated with any EIM market participant. The individuals qualified to serve would also be prohibited from any financial interest in a market participant. Although the ISO's proposal would establish certain broad parameters with respect to such issues, the proposal intentionally avoids prescribing the specifics of this structure to allow such decisions to be informed by the work of the Transitional Committee and the experience gained through EIM operation."

Other language in the proposal is more ambiguous: "To achieve the second phase of the EIM governance implementation, the charter will require the Transitional Committee to

develop a proposal for an independent EIM governance structure comprised of *non-stakeholders*. Moving to a structure comprised of participants who are independent of individual *stakeholders* will make it possible to satisfy FERC requirements for the ISO Board to delegate substantial authority over EIM, and provide for a governance structure that will allow for efficient, meaningful and nimble EIM market oversight.” (emphasis added)

The reference to “stakeholders” should be changed to “market participants.” Otherwise it could be read as prohibiting the service of any individual in the western region who could be affected by an EIM, and anyone outside the west employed by, serving in a board or other policy setting role, or having a substantial financial interest in an in-region stakeholder organization.

5. Are there details not covered here that you would suggest be included in the next round that will include a draft charter?

Comments:

6. Any other comments?

The NW Energy Coalition is an alliance formed in 1981 and now consisting of more than 115 environmental, civic and human service organizations, progressive utilities and businesses in Oregon, Washington, Idaho, Montana and British Columbia. We promote development of renewable energy and energy efficiency, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake rivers.

We appreciate the ISO’s willingness to involve stakeholders early and fully in the EIM development process, to make available and respond to specific comments, and to provide for stakeholder meetings both in California and other western state locations. And we look forward to further participation in helping evolve the proposal.