

Comments on the Discussion Draft Prepared by the Regional Issues Forum Liaisons

Submitted by Portland General Electric

2/22/17

General Comments

PGE supports continuation of the RIF as a productive forum for stakeholders to discuss broad issues related to the operation and evolution of the Western Energy Imbalance Market. PGE appreciates the work of the RIF Liaisons to bring this topic forward in accordance with the RIF Charter, but we do not believe the topic warrants a CAISO stakeholder process. PGE recommends that the RIF evaluation process be completed succinctly so that stakeholders can focus on issues and initiatives currently underway at the ISO or identified for discussion at the next RIF.

Stakeholder Process Questions

1. The first question centers around the structure of the reevaluation process. It is the Liaisons' understanding that the ISO will run a traditional ISO-driven stakeholder process for this effort. The Liaisons would like this to be a bottom-up process shaped by stakeholder input and that is one of the purposes of this initial Discussion Draft. We would benefit from stakeholder feedback on the role of the RIF Liaisons in this process. Should we serve to channel stakeholder feedback? Should we be making affirmative recommendations? Should we go so far as the EIM Transitional Committee to develop comprehensive work products?

PGE does not believe a traditional ISO stakeholder process is warranted for stakeholders to make the decision whether to continue the RIF. The RIF is not an ISO-run organization and thus it seems inappropriate for the ISO to lead the reevaluation process. Instead, PGE believes that the current RIF Liaisons have been elected by their sectors to convey the wishes of their respective stakeholders. As such, the RIF Liaisons should be positioned to make recommendations on whether and how the RIF moves forward.

2. The RIF liaisons believe that the RIF reevaluation stakeholder process can be accomplished in a relatively short amount of time and with minimal process. As such, the RIF liaisons recommend that the RIF reevaluation stakeholder process consist of a combined issue paper/straw proposal developed by the RIF liaisons, followed by no more than two stakeholders meeting, and commensurate numbers of iterative comment and proposal rounds. Indeed, this could be accomplished with one round of comments and a meeting, followed by a final work product. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what process should be used. For example, should there be multiple rounds of stakeholder input (written comments), multiple meetings or multiple revisions to proposal documents?

PGE agrees this decision can be made expediently. The RIF Liaisons should facilitate stakeholder discussion on this topic at the February 28, 2017 meeting, and should bring a recommendation and draft policy revision for consideration by stakeholders.

PGE does not see the need for an issue paper or straw proposal. Instead, the RIF Liaisons should redline the Operating Guidelines for the Regional Issues Forum as needed, and allow a period for comments by stakeholders. This review would not require revisions to the Charter for Energy Imbalance Market Governance; however, if such revisions are ultimately required, PGE believes that the RIF Liaisons could submit these recommendations to the Governing Body for approval.

3. The RIF liaisons recommend that the RIF reevaluation final proposal and stakeholder feedback be presented to the EIM Governing Body for the ultimate decision and resolution under the current voting structure of the EIM Governing Body. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what resolution process should be used.

Section 6 of the Charter for Energy Imbalance Market Governance provides sufficient flexibility for RIF reevaluation under the guidance of the Sector Liaisons' leadership.

Before changes are proposed to the Charter, PGE would like the proposal to be detailed and discussed in a future RIF meeting. The current structure of the RIF enables Sector Liaisons to "review and make any changes to [the] Operating Guidelines as needed." Therefore, the scope of the reevaluation is covered under the current authority of Sector Liaisons.

4. The RIF liaisons recommend that the RIF reevaluation stakeholder process be completed by the July 13, 2017 meeting of the EIM Governing Body. Do you agree with this recommendation? If your response is no, please explain and provide your suggestion for what timeline should be used.

PGE believes this issue can be resolved at the next RIF (currently unscheduled).

Relationship to EIM Governing Body/Other Topics

5. Right now, the RIF meets 3 times per year. Suggestions have been made to align RIF meetings with the EIM Governing Body schedule. That would increase time and meeting commitment, but would regularize RIF input into the Governing Body. Input on this issue would be valuable. The Liaisons believe that the EIM Governing Body should have a strong role in setting the agenda for the RIF to ensure feedback into the issues on which they must deliberate. We would appreciate input on this initial recommendation.

PGE agrees with the recommendation to align the RIF meetings with the EIM Governing Body schedule; however, PGE believes that this alignment can occur without an increase in the total number of RIF meetings. PGE supports the EIM Governing Body's desire to leverage the RIF discussions to inform their decision making and understanding of EIM issues. PGE believes that the current schedule of RIF meetings provides a sufficient forum to cover issues and maximize participation.

6. The expectation is that, in addition to the EIM Governing Body, agenda development and RIF meeting discussions would be led by stakeholders, channeled through the Liaisons for the purposes of organizing meetings. This is consistent with the last RIF meeting in Phoenix on November 29, 2016, where stakeholders led market issue discussions. It is expected that a primary role of the Liaisons will be to

define a process for requesting agenda item. Meeting plans would establish deadlines for issue submissions or stakeholder presentations. Please provide thoughts on this general approach to RIF activities.

PGE agrees with this recommendation and supports the RIF Liaisons' role in shaping the agenda and facilitating the discussions during the meetings.

7. The existing documentation for the RIF contemplates the possibility of written work product as a means of capturing stakeholder views or RIF opinions. The Liaisons believe that if this function remains in any final recommendation, a process for triggering and producing written material must be developed. Stakeholder views on whether this function should remain, and how to execute upon it are appreciated.

As a non-binding body, the RIF Liaisons' primary role is to facilitate dialogue among stakeholders on issues related to the Western EIM. Individual stakeholders have ample opportunity to communicate individually or jointly with their sector peers, to the ISO or the EIM Governing Body directly.

8. Is the RIF delivering on all of the key functions described in the operating guidelines? If your response is no, please explain and/or provide suggestions.

Yes. PGE appreciates the time and effort the RIF Liaisons have contributed to date.

9. What should be the primary focus areas of the RIF?

As stated in the Section 6.1.1 in the EIM Governance Charter and underscored in comments above, the RIF's primary focus should remain one of facilitating public dialogue on broad issues related to the Western EIM to benefit its ongoing expansion and evolution. The RIF Liaisons may from time to time need to make recommendations on changes to the RIF section of the EIM Governance Charter, following stakeholder discussion or at the request of the EIM Governing Body.

At this time, PGE believes the region would benefit from a broad discussion of market seams and potential solutions that could facilitate the reduction of transactional friction between day-ahead, real-time, and intra-hour markets from both a transmission and generation perspective. PGE believes the region would also benefit from exploring potential future scenarios for enhanced market coordination in the West, which could include such topics as integrating the EIM more fully with existing bilateral and forward markets and leveraging the EIM for enhanced reliability.

10. Are there, at this early stage, any provisions of the EIM Governance Charter or other RIF documents that stand out as needing reconsideration?

PGE is satisfied with the current Charter.