

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

Submitted by Puget Sound Energy

February 22, 2017

General Comments

Puget Sound Energy (PSE) appreciates the opportunity to provide input to the Regional Issues Forum (RIF) liaisons. PSE is supportive of continuing the RIF in its current format that allows stakeholders to discuss broad issues related to the operation and growth of the Western Energy Imbalance Market. PSE does not believe that the re-evaluation of the RIF warrants a CAISO stakeholder process. PSE recommends that the RIF evaluation process be streamlined so that it can be completed in a simplified manner in a reasonable timeframe. This will allow the RIF and its stakeholders to 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?

PSE believes that a traditional ISO stakeholder process is unnecessary for stakeholders to make the decision whether to continue the RIF. PSE would support the current RIF Liaisons in evaluating this issue and make consensus 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 stakeholder meetings, 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?

PSE agrees that this process can be streamlined, with the RIF liaisons working to draft proposals (perhaps as simple as editing the current Operating Guidelines) for public comment, as well as reviewing public comments received from stakeholders. It is likely that more than one round of input on draft proposals will be needed. At least one RIF meeting should be held to focus on this topic, review the draft

proposal(s), and take public comments. It would be helpful if the ISO could provide tools and support for this process, yet without engaging in a full stakeholder initiative process.

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.

PSE supports the RIF in presenting the outcomes of the evaluation process and reviewing the final proposal with the EIM Governing Body. This would help keep the EIM Governing Body informed on stakeholder input during this process. PSE does not see a need for the EIM Governing Body to formally approve an outcome of this process unless the RIF is unable to reach consensus.

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.

PSE agrees with expediting this process to allow for the RIF to focus on other important market issues, and we would support that portions of this process (i.e., draft proposals, public comments) could be done outside of RIF meetings.

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.

PSE supports the RIF meeting three times a year and aligning the RIF and EIM Governing Body schedule. This reduces travel expenses and overall travel commitments for many of us. PSE suggests that topics be staggered on the schedule so that RIF topics are discussed at a later EIM Governing Body meeting, instead of the following day.

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.

PSE 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.

PSE does not have a strong position on the issue of notetaking or keeping meeting records. We agree that it should remain an option. One process would be that each sector take turns in providing a note taking function during meetings to capture a summary of high points and any consensus recommendations

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. PSE 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, PSE 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. PSE 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?

PSE is satisfied with the current Charter.