

Comments of PacifiCorp on the EIM Governance Review Issue Paper and Straw Proposal

Submitted by	Company	Date Submitted
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Introduction

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation (“CAISO”) on its EIM Governance Review issue paper and straw proposal (“Issue Paper/Proposal”) dated December 14, 2018, and discussed during the CAISO’s December 20, 2018, webinar. In general, PacifiCorp is supportive of the Issue Paper/Proposal and agrees with efforts to strengthen and improve the governance structure for the EIM as the EIM continues to expand.

Change to Ensure Appropriate Decisional Classification for the Extended Day Ahead Market Stakeholder Process

PacifiCorp supports the Issue Paper/Proposal but believes that a key issue is missing: the EIM governance structure should be modified to allow for greater authority for the EIM Governing Body over the Extended Day-Ahead Market (“EDAM”) stakeholder process if such a process commences as contemplated later in 2019. Any extension of the EIM into a day-ahead framework will have significant impacts on EIM Entities covering a geographic footprint well beyond California. However, based on the existing decisional classification process, the EIM Governing Body’s authority over the EDAM process is classified as advisory. This is an insufficient level of oversight and authority given the scope of potential impacts to EIM Entities. PacifiCorp recommends a change that would allow the EDAM stakeholder process to be classified as primary EIM Governing Body authority; or, in the alternative a modified approach recognizing the uniqueness of the EDAM effort that would create an approach specific to the EDAM that would grant sufficient authority to the EIM Governing Body.

Proposed Revision to the Current EIM Governing Body Decisional Classification Rule

In the Issue Paper/Proposal, the CAISO proposes to revise the decisional classification rules to expand the current EIM Governing Body’s primary authority classification to incrementally include, in addition to market rules that apply uniquely or differently to EIM balancing authorities, proposed changes to generally applicable rules of the real-time market if the primary driver for the change is the EIM. PacifiCorp is supportive of expanding the EIM Governing Body’s primary authority classification and agrees with the CAISO’s recommendation to



implement this proposal in early 2019. PacifiCorp also supports the proposed revisions to the EIM governance charter and guidance document.

Timing for the Broader EIM Governance Review

In section III of the Issue Paper/Proposal, the CAISO seeks stakeholder comments on how the broader EIM governance review should proceed, including input on any substantive areas that should be reviewed and the timing and process for doing so. In light of the ongoing evaluation of extending the EIM to the day-ahead, PacifiCorp recommends that the CAISO wait to initiate a broader substantive review of EIM governance until there is more certainty and details regarding EDAM. It is PacifiCorp's expectation that changes to the existing governance structure will be needed to effectively implement an expanded day-ahead market. At this point, it is premature and potentially inefficient to review and make additional changes to the EIM governance before a decision is made on whether or not to move forward with EDAM implementation. If a decision not to proceed with EDAM is reached, PacifiCorp is supportive of beginning the broader governance review sooner, but only after such a decision not to move forward with EDAM is made. If EDAM implementation does move forward, the broader governance review will have the benefit of being informed by a greater level of detail with respect to what a day-ahead market design is proposed to look like.

Stakeholder Based Working Group

PacifiCorp supports the development of a stakeholder-based working group that can be in place to develop proposed changes to EIM governance as well as changes to governance that may be necessary to implement a day-ahead market. Ideally, this working group would be in place by the time any EDAM stakeholder process commences so that this group can provide input on any EDAM governance structure without delay. PacifiCorp agrees that this group could work closely with CAISO staff to develop and refine straw proposals. However, further discussion is needed with respect to the appropriate makeup of this working group. It will be important to ensure that the working group is able to adequately represent entities who will be directly affected by changes to the EIM governance and potential expansion to a day-ahead market. Because the EIM and potential EDAM both extend beyond the borders of the CAISO, the working group must be representative of this geographic diversity. Because it will take time to resolve the compositional question and establish this working group, PacifiCorp recommends that the process of nominating, selecting and convening this working group should commence immediately.

Conclusion

PacifiCorp appreciates the opportunity to submit these comments for the CAISO's consideration.