

February 7th, 2022

Ashutosh Bhagwat, Chair
ISO Board of Governors
Anita J. Decker, Chair
Western EIM Governing Body

Dear Chair Bhagwat, Chair Decker, ISO Board of Governors and EIM Governing Body:

Powerex wishes to express its support for the initial set of proposed Phase 1 enhancements to the EIM Resource Sufficiency Evaluation. Powerex believes these initial Phase 1 enhancements will address some of the inaccuracies that have been identified in the existing Resource Sufficiency Evaluation, and are an important part of efforts to ensure the EIM Resource Sufficiency Evaluation is *accurate* and *effective*. Powerex also appreciates that the CAISO and DMM have committed to make public—and have made public—granular data associated with the Resource Sufficiency Evaluation for each EIM Entity, including for the CAISO BAA. Powerex supports this additional transparency, as it enables EIM Entities and all stakeholders to better understand how the EIM Resource Sufficiency Evaluation functions today, and how it can be improved.

While Powerex supports the initial set of Phase 1 enhancements, additional sources of significant inaccuracy remain that must be addressed. It is therefore vital that the CAISO continue to work with EIM Entities and stakeholders through “Phase 1B” of this initiative to develop the additional enhancements necessary for the EIM Resource Sufficiency Evaluation to be able to reliably verify whether each EIM Entity, including the CAISO BAA, has brought their fair share of resources to the EIM.

Equally important, “Phase 2” will need to address the consequences associated with an EIM Entity that does not have sufficient resources to meet its needs without leaning on the resources of other EIM participants. The consequences of failure must not be inaccurately portrayed as seeking to prevent transactions in the EIM as an end unto itself. Rather, the ultimate purpose of any failure consequences is to ensure that all EIM Entities, including the CAISO BAA, are sufficiently incented to take the actions necessary to bring sufficient resources to the EIM. Key improvements to the failure consequences are needed to achieve this outcome, and to ensure that differently-situated EIM Entities face comparable incentives to come to the EIM resource sufficient. Only when all EIM Entities have strong incentives to be resource sufficient will regional reliability be supported and the full benefits of economic transfers arranged through the EIM be fully realized for all participants.

Powerex urges the ISO Board of Governors and the EIM Governing Body to support these initial Phase 1 enhancements, and to support the additional work necessary to realize an accurate and efficient EIM Resource Sufficiency Evaluation.

Yours truly,



Mike MacDougall
Vice President, Trade Policy and IT
Powerex Corp.