

Southern California Edison Comments

Submitted by	Company	Date Submitted
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The following are Southern California Edison’s (SCE) comments on the California Independent System Operator’s (CAISO) Energy Imbalance Market (EIM) Revised Governance Proposal¹ (Proposal) and EIM Transitional Committee Draft Charter² (Draft Charter). SCE appreciates the opportunity to provide comments and participate in the stakeholder process.

SCE continues to support the CAISO’s proposed phased-in approach, where a Transitional Committee would be formed first, and a final governance proposal developed later through an appropriate stakeholder process. SCE appreciates the changes and clarifications the CAISO has made in this revised Proposal, in particular:

- Clarifying that the CAISO is not prejudging the outcome of the Transitional Committee’s work, especially when it comes to the shape of the final EIM governance structure;
- Stating that the EIM governance structure “cannot create the potential for dueling filings at FERC”³; and
- Clarifying that the Transitional Committee work shall be done in an open stakeholder input and review process.

SCE is still concerned about appropriate representation of California customers and Investor Owned Utilities (IOU) serving them on the Transitional Committee. While SCE supports CAISO’s view that “the Transitional Committee is not intended to be a committee in which each member represents the interest of one particular sector”, it is hard to imagine a “diverse, well-qualified, group that can promote the objectives of a successful EIM”⁴ without experts from the

¹ CAISO EIM Revised Governance Proposal, published Oct 4, 2013.

<http://www.caiso.com/Documents/RevisedGovernanceProposal-WhitePaper-EnergyImbalanceMarket.pdf>

² CAISO EIM Transitional Committee Charter (DRAFT), published Oct 4, 2013.

<http://www.caiso.com/Documents/TransitionalCommitteeDraftCharter-EnergyImbalanceMarket.pdf>

³ CAISO Proposal, Section 5.3.

⁴ CAISO Response to SCE comments (Comments Matrix), page 58.

<http://www.caiso.com/Documents/CommentsMatrix-EnergyImbalanceMarketGovernanceProposal.pdf>

three entities serving majority of the load in the CAISO / PacifiCorp EIM footprint. To be clear, SCE is not advocating for a designated seat on the Transitional Committee, but simply voicing a concern that the CAISO Board should consider when applying its discretion in selecting the committee members.

SCE is also still concerned about having an EIM governance structure that would potentially result in two Boards with authority over the same Real-Time market. The problem is that there is no distinguishable set of tariff requirements that can be solely attributed to EIM that do not also have an impact on CAISO operations or markets in general. SCE plans to further voice these concerns once the Transitional Committee is nominated and it starts its stakeholder process.

Below are SCE responses to specific questions the CAISO has asked:

1. Do you support the sector definitions and the nomination and ranking process for the Transitional Committee? Please explain the basis for your views.

SCE is comfortable with the nomination and ranking process framework as described in the Proposal. As discussed above, when selecting the committee members, the CAISO Board needs to recognize that the majority of the load in the combined CAISO / PacifiCorp EIM footprint will be served by the three California IOUs (PG&E, SCE and SDG&E). Hence, the CAISO should use its best judgment, in addition to stakeholder rankings, and ensure that there is appropriate representation and expertise from California IOUs on the committee.

2. Do you support the roles identified for the Transitional Committee and the decision-making processes for the committee outlined in the revised governance proposal and draft charter? Please explain the basis for your views.

SCE appreciates the clarifications made in the latest Proposal, and supports the roles identified for the Transitional Committee as well as the outlined decision making process. As explained in the Proposal, the committee work must be transparent, open to stakeholder input, and mindful of both majority and minority views.

3. Do you have any comments on the draft charter? Please explain.

SCE has no comments at this time; the draft charter is consistent with the Proposal.