



Comments of TransAlta Corporation

Energy Imbalance Market Governance White Paper

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Energy Imbalance Market Governance White Paper posted on August 13.

Submit comments to EIM@caiso.com

Comments are due September 6, 2013 by 5:00pm

Please provide your comments following each of the topics listed below:

- 1. Do you support the roles identified for the transition committee – i.e., to provide the Board with input on EIM-related issues during start-up and early implementation and to develop a proposal for an independent governance structure? Please explain the basis for your views.**

Comments:

Yes, the general scope of roles seems reasonable at this time. However, we may have further comment, as the specifics of the roles and how they be undertaken becomes clearer.

- 2. Do you support the sector definitions and the nomination and ranking process for the transition committee? Please explain the basis for your views.**

Comments:

The definitions provided for the sector definitions seem reasonable.

It is unclear on how the nomination and ranking process is going to take place. For instance, how are sector groups to get together to nominate candidates? How will CAISO recognize the specific stakeholder groups? Also when the group is formed, how will representative candidates be chosen and recognized for each stakeholder group?

Finally, it seems the rankings from each sector group are to be submitted to the CAISO. The CAISO then makes a final determination of Transition Committee Members. This process seems a little opaque. Will CAISO set publically available clear selection criteria and provide justifications for the selected candidates?

3. Do you support the number of members in the transition committee and its composition? Please explain the basis for your views.

Comments:

We agree a total of seven members with one position reserved for the EIM Entity should provide sufficient resources to complete the work without excessive numbers to make arriving at decisions difficult. However, at this time, it seems PacifiCorp is the only EIM Entity so this is essentially a position for representative PacifiCorp. Is this correct?

We support the addition of up to two additional seats being available for new entrants to the EIM. This leads to two questions:

- 1.) How late in the process would CAISO allow new members to join the Transition Committee if a new BAA joined the EIM?
- 2.) If only one new member joined, there would be an even number of members, how would tie votes be resolved?

4. Do you support the independence proposals identified in the paper for long-term independent EIM structure? Please explain the basis for your views.

Comments:

Notionally, this seems like a reasonable approach. Without further details as to the interactions of the CAISO and EIM Entity, it is difficult to say definitely whether this would provide additional benefit or add more complexity and costs to the system.

5. Are there details not covered here that you would suggest be included in the next round that will include a draft charter?

Comments:

The inclusion of definition section for key roles and concepts would be helpful. For example, who would be considered an EIM stakeholder for the purposes of nominations and ranking?



Any other comments?

No Compensation for Committee Members:

A lack of compensation for costs of participation may have undesirable impacts:

- 1. Reduce the number of potential strong nominees**
- 2. Reduce the number of diverse regional participants because their travel cost could be significant**
- 3. Increase the likelihood willing participants would only participate in order to achieve personally beneficial outcomes**
- 4. Reduce the likelihood viable candidates from smaller, less financially robust organizations would participate due to costs**

We suggest the EIM partner organizations consider funding all or part of the costs of Transition Committee Member participation.