

Stakeholder Comments Template

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: Given the initial stages of this discussion, BANC's comments are necessarily preliminary in nature. However, BANC is concerned that the Transitional Committee will lack the opportunity to have a meaningful say on market issues. Based on BANC's understanding of the Proposal, the Transitional Committee would not be in place until after key market design issues are resolved. BANC suggests that the Transitional Committee have a say in design choices that will be made prior to EIM start up. It seems reasonable that key market participants from the West be able to have a formal say on these matters. Otherwise, on implementation matters, the Transitional Committee would be relegated to an advisory role on software and market simulation issues. While important, the CAISO proposal misses a key opportunity for input that could improve the EIM design and the chances of success therefore.

On long term governance, there is not enough detail yet on how any independent EIM Governance structure could be developed to provide meaningful comment at this time.

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: BANC is concerned that the process as outlined could be unwieldy and unworkable; the Proposal therefore requires further discussion and development. For the publicly-owned utilities specifically, there are approximately 300 municipal systems in the Western Interconnection, not including cooperative utilities and federal agencies. The size and characteristics of these entities is extremely diverse. Further, entities inside the CAISO BA may have different interests than those outside. Organizing this segment *a la* the CAISO Board selection process would be a significant challenge. If this effort is undertaken, then some commitment from the CAISO Board to honor the selection preferences is appropriate, rather than an open ended process with no accompanying requirement that the Board seat sector members.

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

Comments: Given our response to Question 2 above, BANC believes at this time that 7 seats may be too few. The breadth of interests the CAISO is attempting to capture, more seats may be required. Since the Transitional Committee is simply advisory, expanding the size of the Committee should not present an obstacle to advising the Board on EIM Start-up.

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: BANC has no comment on this issue at this time. A general guiding principle should be that the EIM governance should reflect the ultimate purpose, role, and configuration of the EIM itself. It is not clear to BANC at this time the exact nature of the relationship between the EIM Board and the CAISO Board on issue such as market design, tariff administration, monitoring, and costs.

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

Comments: A more timely and detailed description of the role of the Transitional Committee, and its ability to have meaningful input on the EIM design before it that design is finalized.

6. Any other comments?

Comments: To articulate more fully a point alluded to above, BANC believes the CAISO Board discretion should be limited in how it populates the Transitional Committee. In order to make the CAISO's commitments to diverse representation meaningful, the Transitional Committee should have sector representation.