

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: As currently envisioned, all key design issues would be addressed and resolved, and possibly subject to a FERC order, before the Transitional Committee is seated. However, the Transitional Committee could provide more meaningful input into the initial design elements of the EIM if it were seated as the design is still being solidified. Advance input from the Transitional Committee can give the CAISO Board more input on some of the key design choices that will impact success or failure of the EIM. Consistent with the calls from PG&E and other stakeholders, a more deliberate design process on the front end of the EIM could bring into alignment the governance and design portions, and provide the Transitional Committee meaningful input to the CAISO Board at the same 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: CMUA is concerned that fully representing sectors with broad and diverse stakeholder interests may prove unwieldy. For example, based on anecdotal evidence, there are nearly 300 public power systems in the West, not counting cooperatively-owned utilities and federal systems. Putting together from scratch a process of identifying them and organizing the group into a “sector” that would help guide this process seems a significant challenge. More discussion and delineation on how the CAISO anticipates this process to work is therefore warranted.

If undertaking the challenges associated with these elements of the Governance Proposal leads to robust sector representation, we would view the potential benefits of the process to be worth the significant effort. However, as CMUA understands the Proposal, the CAISO Board would have discretion to pick from a broad pool assembled by the sectors, but have no obligation to pick representatives from each of the identified sectors. This discretion is unnecessarily broad, and inconsistent with the stated goal to ensure diversity of representation of the various sectors on the Transitional Committee.

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

Comments: CMUA believes the sector identification is a workable starting point. We are concerned, as stated above, with how unwieldy the process might be for sectors with broad and diverse representation.

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: It is too soon to tell. While “independence” as a concept may be supportable, it will be difficult to assess the efficacy of the proposals in Section 5 without further detail about what the EIM will look like, and the extent of the authority of any new EIM governing structure.

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

CMUA does not have any comments at this time, as it is difficult to address the details of a conceptual proposal. However, see the response to #6 below.

6. Any other comments? Comments: Yes. The roles, responsibilities, and obligations of the members of the Transitional Committee should be delineated up front. It is reasonable to require that Transitional Committee members be committed to successful implementation of the EIM. At the same time, as industry participants, Transitional Committee members can be expected to have, and advocate for, certain substantive positions on key market design issues. Can a Committee member fulfill the expected role, while actively involved in any ongoing design efforts, or FERC proceedings, on EIM issues? The rules that govern the activities of the Transitional Committee members need to be articulated with great specificity up front so that there are not misunderstandings that would harm this process.