

**Chelan County Public Utility District's Comments on the 2017 Draft Policy Initiatives Roadmap**  
**November 17, 2016 (via email to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com))**

Chelan PUD, a consumer-owned utility in Washington, is an active participant in the bilateral, wholesale power markets in the west and a NERC-registered balancing authority. Chelan PUD is a member of the Public Generating Pool and supports PGP's comments on the Policy Initiatives Roadmap. Chelan PUD offers these additional ideas on the "EIM External Resource Participation" initiative ranking for the CAISO's consideration.

ISO Implementation

There are options for external resource implementation that could decrease the burden on the CAISO's resources. One option is for CAISO to begin implementation with resources that are jointly owned or operated, or resources whose output is otherwise shared between entities within and without EIM Entity borders. These resources are already modeled and participating. Expanding participation to the "external" portion of these resources would provide an opportunity to design and test other elements needed for external resource participation in a controlled manner. This, in turn would allow for smoother extension of those elements to a broader set of external resources.

Improving Overall Market Efficiency

Additional resource participation will increase liquidity, providing more low-cost options for serving load, increased flexibility for renewable integration, and additional displacement opportunities to avoid renewable curtailments. Additional supply and resource diversity can improve overall market efficiency, and the CAISO's initial ranking of "7" acknowledges that there will be moderate improvements to market efficiency. This initiative also provides a more fundamental improvement, however. Enabling external resource participation removes a barrier to competition, which is an underlying goal of any market structure. Accordingly, eliminating competitive barriers is a significant improvement to the market.

Desired by Stakeholders

Stakeholders have repeatedly expressed an interest in external resource participation in the EIM. Interested parties have raised this issue in the CAISO's stakeholder process, at the EIM Regional Issues Forum, in EIM Governing Board meetings, and at the Federal Energy Regulatory Commission. The interest in this topic is extensive and broad-based. Certain CAISO stakeholders are affected by both EIM improvements and other CAISO initiatives—these parties may have less desire for EIM improvements due to perceived limitations on resource availability. But the interests of EIM stakeholders, who may not be regular participants in the CAISO stakeholder process, also need consideration. When ranking the desires of stakeholders, the CAISO should give adequate weight to EIM stakeholders who are not directly affected by the CAISO's other markets.

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