

**JOINT COMMENTS ON THE
ANNUAL POLICY INITIATIVES ROADMAP PROCESS
September 5, 2017**

I. INTRODUCTION

Western Energy Imbalance Market (“EIM”) current and future participants, Arizona Public Service, Balancing Authority of Northern California, Idaho Power, NV Energy, PacifiCorp, Portland General Electric, Powerex Corp., Puget Sound Energy, Seattle City Light, and Salt River Project (“EIM Entities”) hereby submit the following comments to the California Independent System Operator Corporation (“ISO”) on the Annual Policy Initiatives Roadmap Process draft final proposal that was published August 22, 2017, (“Draft Final Proposal”). The identified EIM Entities appreciate the ISO’s efforts to improve the process of identifying priorities for market enhancements and welcome the opportunity to provide these additional comments on this initiative for the ISO’s consideration.

II. COMMENTS

A. Policy Initiatives Catalog

The EIM Entities appreciate the ISO’s revised proposal to allow for a stakeholder comment period prior to each semi-annual posting in February and August of the policy initiatives catalog (“Catalog”). The ISO proposes in the Draft Final Proposal to enforce a deadline for stakeholder submissions on the first Tuesday of January and July, followed by a stakeholder review and comment period. The Draft Final Proposal does not set forth the timing by which the ISO will issue a market notice and open the comment period. Further, the Draft Final Proposal states that the comment period will be provided for stakeholders to comment on the posted submissions. However, in its August 28, 2017, stakeholder meeting presentation, the ISO indicated that it will post a “draft Catalog” at the beginning of February and August and then request stakeholder comments on that draft Catalog for a period of two weeks. The EIM Entities request clarification of the process by which the ISO will solicit stakeholder comments on the Catalog submissions. The EIM Entities suggest a process by which the ISO requests an initial round of stakeholder comments on the group of submissions it receives by the deadline. This part of the process would provide stakeholders the ability to identify at the outset any objectionable requests and offer proposed revisions to assist the ISO in the development of a draft Catalog. After taking stakeholder comments on the submissions into consideration, the ISO would post a draft Catalog and provide stakeholders a second opportunity to comment prior to the ISO posting the final Catalog.

In response to stakeholder comments, the ISO has eliminated the non-discretionary (N) classification and replaced it with the ISO-committed (C) classification and clarified its definition. The new classification is proposed to be used when the ISO has committed to a

stakeholder process during a regulatory proceeding or on initiatives previously committed to stakeholders by the ISO Board, the EIM Governing Body, or the Federal Energy Regulatory Commission (“FERC”) to be undertaken. The EIM Entities support the proposed change to the classifications. Further, the ISO proposes that the priority order for each classification is as follows: In-progress (I), FERC mandated (F), Committed (C), and Discretionary (D). The EIM Entities support this proposed order of priority contingent upon the ISO’s commitment to reclassify to Committed any previously classified Discretionary initiatives prioritized on the previous year’s Policy Initiatives Roadmap (“Roadmap”) that have been deferred or otherwise have not started the stakeholder process during that year. For example, if the ISO does not begin a stakeholder process on the number one ranked Real-Time Market Enhancements initiative from the 2017 Roadmap before the end of 2017, that initiative should be reclassified as Committed in the next Catalog and have priority on the 2018 Roadmap.

B. Policy Initiatives Roadmap

In the Draft Final Proposal, the ISO has recommended no changes to its proposals on the annual and three-year Roadmaps. Upon further review of the ISO’s proposed three-year Roadmap, the EIM Entities understand the ISO’s explanation of coordinating its three-year Roadmap with its strategic vision. However, the high level at which the policy initiatives are illustrated on the three-year Roadmap makes it difficult for stakeholders to provide meaningful comments. The EIM Entities request that the ISO provide more detail on its three-year Roadmap so that stakeholders are better able to identify which initiatives from the Catalog are being contemplated for the forward-looking Roadmap. Simply stating that the ISO will include an initiative that corresponds to the “Evolve Market” category of the ISO’s strategic vision, does not provide enough information. Stakeholders are unable to determine from this high-level description whether the initiative would affect the day-ahead, ancillary services, or real-time market.

C. Input by the ISO Board of Governors and the EIM Governing Body

As it stated in its Straw Proposal, the ISO states in its Draft Final Proposal that the Market and Infrastructure Policy Director will provide a briefing of the *Final Annual Initiatives Policy Roadmap* to the EIM Governing Body and the ISO Board of Governors in December each year. The ISO further explains that the final Roadmaps will take into consideration not only stakeholder comments provided during the stakeholder process but also input or discussions from the Regional Issues Forum, EIM Governing Body, and Board of Governors meetings that occur throughout the year. However, it is not clear when or how the input from the EIM Governing Body and Board of Governors will be delivered to the ISO. During the August 28, 2017, stakeholder call, the ISO stated that it regularly briefs the governing bodies on initiatives and receives input from the governing bodies during executive session meetings. The EIM Entities request additional transparency around the governing bodies’ input on the Roadmaps, and propose that the ISO brief the governing bodies in *public* sessions during the two-month

comment period (October – November), and provide stakeholders the opportunity to further comment during those public sessions.

III. CONCLUSION

The EIM Entities generally support the proposed Annual Policy Initiatives Roadmap Process and appreciate the ISO's consideration of these comments.