

## 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](mailto: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:

- 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 whitepaper describes a process for screening stakeholders that would be allowed to participate in the sector nomination process for the selection of Transition Committee members. For a stakeholder to be qualified to participate, they would need to have “participated in the ISO’s markets since 2009”. Thus the screening process seems to be certain to select only current CAISO Scheduling Coordinators. Since the formation of EIM represents an expansion of the CAISO footprint beyond its’ current boundaries, the CAISO should relax the market participation requirement to be more inclusive of stakeholders who may not have been

recent participants in the CAISO market, but have an interest in EIM participation and whose viewpoints would represent a more geographically diverse demographic than today's CAISO stakeholder group. Expertise in CAISO matters is important, but where the goal is to expand into new territory, ISO should be looking for less familiar faces who will bring unique concerns from their regions.

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

Comments:

**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:

The CAISO whitepaper focusses on the requirement for the EIM governors to be independent of market participants. But there is another aspect of independence; that is the ability of an EIM governance structure to use the authority delegated to it to have a measure of independence from the CAISO Board in governing the EIM and pursuing the interests of the EIM participants even when this diverges from the current CAISO Boards views. Ultimately, meaningful governance opportunities for new EIM participants would mean that they have a real measure of control over the rules surrounding their participation. The CAISO recognizes this early in their paper when they discuss allowing EIM participants to have "a meaningful decision making role". Yet when discussing delegated authority, the CAISO states that any such delegation to new EIM participants "cannot create the potential for dueling filings at FERC". These goals seem to be incompatible. The CAISO needs to recognize that truly independent governance, derived from delegated authority of the current CAISO Board, in this new EIM market and footprint could lead to some disagreement and that could be healthy for the organization. Resolving this tension in delegated authority will be a key task of the Transition Committee.

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

Comments:

## 6. Any other comments?

Grant questions the scheduled proposed for forming the Transition group and sees its' formation as being too late to be impactful. In the EIM work plan, the CAISO EIM filing at FERC is set for "no later than February 28<sup>th</sup>, 2014"; PAC's EIM FERC filing is set for "no later than March 31, 2014". Apparently, both could be made earlier than those dates. The Transition Committee is not going to be formed until April 2014; at least one full month after the implementation details of the CAISO's EIM expansion is filed at FERC; and perhaps only one month before the requested effective date for CAISO tariff changes. The PAC EIM will doubtlessly become the template for future CAISO footprint expansions, therefore the Transition Committee needs to be formed and up to speed well in advance of the tariff filing dates in order for it to effectively exercise any sort of governance at this foundational stage of EIM development. At a minimum, the tariff filings should be delayed until the Transition Committee has had at least two months to review them and comment.