



**COMMENTS OF NV ENERGY  
REVISED DRAFT FINAL PROPOSAL OF  
IMBALANCE CONFORMANCE ENHANCEMENTS  
DATED MARCH 14<sup>TH</sup>, 2018  
CAISO STAKEHOLDER PROCESS**

NV Energy notes and appreciates that the CAISO modified the governance decisional approval necessary to authorize the CAISO to complete the tariff amendment in support of these policy changes with FERC. In the draft final proposal, the CAISO stated the entire initiative would involve the EIM Governing Body's advisory role. Now, the CAISO has recognized that the proposal will likely include in the amendments a new EIM-specific rule about conformance by the operators for EIM Entities. In light of this change, the CAISO plans to divide the initiative into two parts for decisional purposes. It would seek approval under the EIM Governing Body's primary authority for the element of this initiative that proposes to clarify EIM operators' authority to conform for imbalance. The remainder of the initiative continue to involve the EIM Governing Body's advisory role to the Board of Governors.

NV Energy does not oppose the division of authority. However, the proposal to limit the EIM Governing Body to an advisory role is inconsistent with the Guidance for Handling Policy Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body adopted in December 2016. NV Energy maintains that the proper classification should be "hybrid." As noted in the Guidance,

Many policy initiatives propose changes to more than one tariff provision, and could include changes in different decisional classifications – for example, an initiative could include changes to both generally applicable rules of the real-time market and also to rules that are unique or specific or apply differently to EIM Entities.

It is hard to think of a better example of such a situation than the load conformance limiter. To NV Energy's recollection, no initiative to-date has been classified as "hybrid". If this is not such an initiative, it is hard to imagine what would meet this classification.

First, only the CAISO and the EIM Entities that are responsible for their Balancing Authority Area can engage in load conformance to enhance reliability by ensuring the model is attempting to solve for actual load conditions. Second, only the CAISO and the EIM Entities can have their load conforming actions subject to the pricing restraints of the load conformance limiter. It is not a generally-applicable feature of the real-time market. To the contrary, it is unique and applies differently to EIM Entities.