

Comments of Portland General Electric Company on EIM Greenhouse Gas Enhancement – 3rd Revised Draft Final Proposal May 23, 2018

Portland General Electric Company ("PGE") appreciates the opportunity to provide comments to the California Independent System Operator ("ISO") on the 3rd Revised Draft Final EIM Greenhouse Gas Enhancement Proposal ("Proposal") dated April 25, 2018 and discussed on the May 2, 2018 conference call.

PGE offers the following comments on the Proposal.

- PGE Supports the ISO's Proposal to Limit the "Deemed Delivered" MW Quantity: PGE supports the Proposal to limit the amount of generation that can be attributed to serving California load to the difference between the resource's economic maximum output and its base schedule. This will reduce the quantity of "secondary dispatch emissions" identified by the California Air Resources Board ("CARB"). While PGE would prefer the ISO continue to pursue the two-pass approach previously proposed, PGE recognizes this proposal will be significantly easier to implement, and therefore supports its implementation in the near-term.
- PGE Requests the ISO and Stakeholders Continue to Pursue Robust Solutions as Markets and Regulatory Paradigms Evolve: PGE understands the current Proposal represents a "best feasible near-term solution" compromise between stakeholders and the ISO, who had to work within the technical capabilities of the current market design and software. The feasibility and appropriateness of this solution will undoubtedly be challenged as markets and regulatory paradigms evolve. PGE therefore requests the ISO and stakeholders continue to pursue robust GHG accounting solutions over time that keep pace with market, regulatory, and technological advancements, and do not unduly impede efficient price formation, inappropriately expand regulatory jurisdiction, or reduce incentives for increased market participation. Specifically, PGE encourages the ISO to continue discussions with CARB and any future impacted jurisdiction within the market footprint to ensure they are supportive of this near-term solution to address the secondary dispatch issue.

PGE appreciates the opportunity to provide comments to the ISO with regard to the Proposal, and looks forward to continuing to work with the ISO and stakeholders on these issues.

For any follow-up communications, please contact Elysia Treanor at (503) 464-8528 or at Elysia.Treanor@pgn.com or Dan Williams as (503) 464-7399 or at Dan.Williams@pgn.com.