



September 14, 2015

Board of Governors
California Independent System Operator
P.O. Box 639014
Folsom, CA 95763-9014

Re: EIM Transitional Committee Long-Term Governance Proposal

Dear Board of Governors:

The American Wind Energy Association (AWEA) is writing to express support for the EIM Transitional Committee's (Committee) proposal for long-term governance of the energy imbalance market (EIM). AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers, and their advocates.

Working with our regional partners in the Western U.S., AWEA has been a strong advocate for the expansion of energy imbalance markets in our combined state and regional regulatory activities as the EIM will bring reliability and economic benefits to all market participants. These benefits are achieved by providing real-time visibility of available resources across all participating balancing areas, combining geographically diverse loads and resources, and using the least-cost available generation across the combined EIM area to balance markets in real-time. Importantly, this market will make much more efficient use of the existing grid assets in the region and thereby facilitate the integration of renewable resources in California and across the West.

AWEA supports the Committee's final governance proposal and the delegation of authority to an EIM governing body that:

- Serves as the primary decision-maker on policy initiatives specific to participation in the EIM;
- Occupies a key advisory role on other market rules that affect, but are not specific to, the EIM;
- Is comprised of individuals who are financially independent of stakeholders; and,
- Has an obligation to promote the success of the EIM and ensure that the interests of all market participants are represented.



AWEA believes that this type of governance structure will facilitate broader utility participation, geographic expansion, and as additional benefits are shown, an EIM that adds a broader set of functions than the current focus sharing of balancing reserves. This type of expansion will allow the EIM to capture the full range of achievable economic and reliability benefits.

We appreciate and support as well that the Committee's final proposal will facilitate the input from a diverse set of states, environmental advocates and other stakeholders and is structured to prevent any one stakeholder group too much control and influence. We support the proposed nominating process for a five-member board in that it would afford meaningful EIM stakeholder input. In addition, we applaud the creation of the Body of State Regulators and Regional Issues Forum. These entities will be critical to engaging and soliciting the input and buy-in of state utility commissioners on EIM matters, as well as encouraging stakeholder participation and input throughout WECC on key EIM matters including potential areas of expansion.

The underlying premise of the EIM is that "consumers in the West would gain substantial benefits from voluntary markets that make efficient use of both electric generating units and the transmission grid." Importantly, the proposed governance structure and the key design elements highlighted above will help unlock these benefits in WECC and further grid modernization efforts in the region. It is a balanced and sound long-term governance proposal that AWEA is pleased to support.

Thank you for the opportunity to comment, and please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Darin". The signature is fluid and cursive, written in a professional style.

Tom Darin
Senior Director of Western State Policy,
American Wind Energy Association