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September 11, 2015

The California Independent System Operator
Board of Governors

Re: Governance of the Energy Imbalance Market
Final Proposal Issued on August 19, 2015

Dear CAISO Board of Governors:

Arizona Public Service Company (APS) would like to thank the Board of Governors for the opportunity to participate in the development of an Energy Imbalance Market (EIM) governing body that will provide maximum value for all EIM participants and respective customers served. We understand the difficulty of the task facing the Transitional Committee to form a governance structure that will manage the complexities of the EIM.

APS fully supports the Transitional Committee's proposal dated August 19, 2015. The final proposal provides a well-balanced governance solution that we are confident will best promote the success of the EIM. We are in agreement with the Transitional Committee that the proposed EIM governance structure provides a reasonable balance of the various interests expressed through the stakeholder process, and provides great opportunity for increased benefits for participants and other involved parties.

Sincerely,

A handwritten signature in black ink that reads "BJ Albert".

Brad Albert,
General Manager, Resource Management