



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

September 10, 2015

Dear Board of Governors,

We are writing to you today to express support for the EIM Transitional Committee's (Committee) proposal for long-term governance of the energy imbalance market (EIM).

Overall, the Committee followed a stakeholder process, sought a balanced approach, and included a regional state regulatory body and a regional issues forum, which are all essential to the success of a regional voluntary market. The EIM is a key benefit to regional collaboration and supports California's clean energy policies.

Specifically, the Committee addressed the Public Interest Organizations' (PIOs) concerns regarding the following:

- Overall stakeholder inclusion throughout the process
- The final proposal represents a balanced approach to providing the EIM governing body with delegated authority over EIM matters
- The nominating process for a five-member board will allow for meaningful EIM stakeholder input
- A body of state regulators, supported by ISO, will engage state utility commissioners on EIM matters
- A Regional Issues Forum will allow regional dialogue about seams issues related to EIM with neighboring balancing authorities and stakeholders

As outlined in earlier comments, the PIOs greatly appreciate the diligence of the EIM Transitional Committee's work in fleshing out the process for the selection of the five-member EIM governing body and its role with the CAISO, industry and stakeholders. It is clear from the many versions and improvements to the Proposal that the Committee has tried to address concerns.

Noted in our earlier comments, the PIOs stated, *"we believe the Draft Final Proposal is still lacking an important distinction. Specifically, we encourage the committee to include language that specifies that a qualified candidate could be an expert with public interest experience."*

And in the Final Proposal on page 16, changes were made acknowledging the PIOs' suggestions. The PIOs support the language in the final proposal including candidates with background in public interest organizations. We are grateful for and support this change.

In addition, the PIOs are also appreciative of the new language promoting the Regional Issues Forum, including *publicly owned utilities (POUs) and Power Marketing Administrations (PMAs) whose cooperation may be needed to facilitate the participation of additional potential market entrants from the rest of the region, consumer advocates, Native American tribal governments and others*. We support this change as a means of considering regional issues with a potential to affect the EIM.

Again, thank you to the EIM transitional committee team and CAISO staff for all of the hard work they did to bring us to a successful conclusion. We appreciate the time and effort of all involved, and look forward to the successful implementation of the EIM. The PIOs believe there are substantial

benefits to gain from the voluntary markets, including access to low-cost renewable energy.

Sincerely,

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