



LEG 2015-0760
GM 15-193
September 14, 2015

Via email: Corporate Secretary, skarpinen@caiso.com

Board of Governors
California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Re: EIM – Long-Term Governance Proposal

Dear Board of Governors:

I write to submit the Sacramento Municipal Utility District's (SMUD) support of the CAISO's Energy Imbalance Market (EIM) Transitional Committee's Long-Term Governance Final Proposal of August 19, 2015 (Final Proposal). The Final Proposal represents a balanced and logical approach to EIM governance.

The EIM is a unique market that has implications for not only the CAISO, but also for California and the region at large. The Final Proposal provides an important delegation of authority structure and a level of independence for the EIM governing body that will ensure the EIM operates efficiently and that diverse interests are represented.

In addition, SMUD strongly supports the formation of the proposed Regional Issues Forum. Entities outside of the EIM footprint, such as neighboring balancing authorities, are impacted at interties and, therefore, have a keen interest in EIM policy and operations. Moreover, publicly-owned utilities have distinct interests that may not be adequately represented through a traditional stakeholder role. The Regional Issues Forum offers an important opportunity to address these issues.

As the CAISO Board looks to form the EIM's long-term governance structure, SMUD urges the CAISO Board to adopt the Final Proposal. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Arlen Orchard", is written over a faint blue line.

Arlen Orchard
Chief Executive Officer and
General Manager

/dm

cc: Mr. Stephen Berberich, President and CEO, CAISO, *via email*

Arlen Orchard, Chief Executive Officer & General Manager

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