

Salt River Project “SRP”

Comments on CAISO’s Energy Imbalance Market: Revised Straw Proposal dated May 30, 2013

SRP<sup>1</sup> appreciates the opportunity for continued participation in CAISO’s EIM stakeholder process.

We offer the following comments for your consideration:

Transmission Service and Usage – SRP appreciates the discussion of transmission service in section 3.10.

The three alternatives appear to be specific to transmission flows between and among CAISO and EIM entities. Additionally, CAISO has indicated that the EIM security constrained economic dispatches will honor the specific transmission rights and capacity that are made available by CAISO and EIM entities.

With regard to Alternative 1, no transmission charge, has CAISO considered potential “private use” implications to EIM participating utilities that have financed transmission assets through tax-exempt bonds?

With regard to Alternative 2, the EIM transmission access charge, it is not clear how this charge would apply to exports. It is our understanding that this charge would only be applied to loads within the CAISO or EIM entity footprints because the EIM dispatch would only consider EIM participants. Please confirm.

Consistent with the current approach, we encourage the CAISO to implement a market design for transmission both now and in the future which respects and/or accounts for the usage of non-EIM entities’ transmission lines and facilities. If it is contemplated that the EIM dispatch will utilize a flow-based calculation for transmission availability, further stakeholder discussions and input will be needed.

Additionally, SRP seeks feedback on the following questions:

- 1) Please describe the process CAISO will undertake to make changes to the market design that is selected and initially implemented?

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<sup>1</sup> SRP (Salt River Project Agricultural Improvement and Power District) provides electricity to over 950,000 power users in a 2,900 square-mile service area in parts of three Arizona counties – Maricopa, Gila and Pinal. SRP’s infrastructure includes 45 generating units, 300+ substations, 3,072 transmission line miles and 19,005 distribution line miles.

- 2) How or where will CAISO communicate the quantity of transmission that is available between and among CAISO and the EIM entities?
- 3) How will unscheduled transmission be made available to other Transmission Customers? For example, assume CAISO and PacifiCorp have 100 MW of rights between the two entities. In the forward market, a 15 minute schedule is in place for 60 MW. Presumably, the EIM has 40 MW of transmission availability to utilize in the 5 minute security constrained economic dispatch. If the EIM utilizes only 35 of the 40 MW of transmission availability, will the remaining 5 MW be offered up to the market? If yes, please describe how and when this available transfer capability will be posted to OASIS.