



June 14, 2013

TID would first like to thank the CAISO for the opportunity to make comments on the Energy Imbalance Market (EIM) Stakeholder Process. TID believes that while EIM has the potential to solve many issues surrounding the interconnection of variable output renewable resources; EIM must be structured in a manner that allows for mass participation without excessive burdens on current market participants and undue hurdles for potential new EIM participants.

TID believes that in certain circumstances, 5-Minute energy can be provided from outside BA's without specifying a generation asset. In cases where the a Scheduling Coordinator controls a portfolio of potential EIM Participating Resources that are electrically close, the CAISO should allow that SC to provide EIM energy from that portfolio as a system, instead of being required to register all possible generation sources within the EIM Entity BA. By allowing this, the CAISO will ensure greater participation from certain potential EIM participants while allowing for flexible operation of the EIM Entity's generation portfolio.

TID is also concerned with the possibility of EIM participants unduly burdening adjacent systems. TID believes that it is possible for EIM Energy to negatively impact transmission rights of adjacent BA's through unintended congestion impacts on parallel transmission paths. TID urges the CAISO to ensure that the Full Network Model adequately reflects transmission limitations on non-participants' systems and all transmission limitations, inside and outside participant's footprint, are considered in dispatching generation.

TID also urges the CAISO to ensure that EIM participants are fully paying their fair share. The proposed Grid Management Charge (GMC) rate of \$0.19 per MWh seems rather low considering the fact that most market participants are paying closer to \$0.40 per MWh. TID believes that if EIM Energy is to be treated fairly in relation to DAM and HASP energy transactions, the applied bundled rate should be somewhere closer to traditional market GMC rates. By offering EIM a discounted GMC rate, as it appears in the May 30, 2013 Revised Straw Proposal, TID feels that traditional transactions are being unduly prejudiced. Charging EIM MWh's the standard GMC rates would not only ensure equal treatment of all transacted MWh's, it would also increase the magnitude of the denominator, decreasing the per MWh cost for all market participants.

Finally, TID believes that the CAISO should look into unifying its Intertie Transfer Capacities. Currently, many CAISO initiatives rely on an independent calculation of Intertie Transfer

Capacity, creating multiple values for a single point of interconnection. One specific example is the methodology used to calculate the available transmission capacity on an intertie for the purposes of Resource Adequacy Capacity imports. The methodology fails to take into account the physical capacity limitations and, many times, severely underestimates an interties ability to provide such service. TID believes the CAISO should investigate and remedy these inaccuracies in Intertie Transfer Capacities and this initiative is an acceptable place to do so, as the CAISO already plans on assigning EIM participation limitations based on CAISO determined Intertie Transfer Capacities.