

Stakeholder Comments Template

| Submitted by | Company | Date Submitted |
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| Please fill in the name, e-mail address and contact number of a specific person who can respond to any questions about these comments. Nancy Kelly | Please fill in here Western Resource Advocates | Please fill in here September 6, 2013 |

Please use this template to provide your comments on the Energy Imbalance Market Governance White Paper posted on August 13.

Submit comments to EIM@caiso.com

[Comments are due September 6, 2013 by 5:00pm](#)

Please provide your comments following each of the topics listed below:

- 1. Do you support the roles identified for the transition committee – i.e., to provide the Board with input on EIM-related issues during start-up and early implementation and to develop a proposal for an independent governance structure? Please explain the basis for your views.**

Comments:

These are both important roles, but whether these distinctly different functions should be performed by one committee is not obvious. The perspectives, skills, knowledge, background and industry experience required to provide qualified and well-reasoned input to the ISO Board of Governors regarding start-up, design, and implementation are not necessarily the same skills and experience sets best suited to develop a governance structure. Furthermore, EIM entities and participants have an immediate interest in issues of market design and implementation, while the development of an independent governance structure is of concern to the larger region.

In addressing the number of committee members, the proposal suggests that the Committee could grow from seven to nine “in the event that additional entities enter into energy imbalance market implementation agreements, thereby committing to becoming EIM entities.” While this provision seems appropriate for a committee providing input to the ISO Board on issues of design and implementation, it seems less appropriate for a Committee whose purpose is to develop an independent governance structure for an institution providing a regional service. Therefore it may be more appropriate to populate two committees. (Overlap in membership might be beneficial.)

If one Transitional Committee performs both roles, a nine-member committee that reflects balanced interests appears preferable to a seven-member committee, or a nine-member committee whose additional members come from EIM entities, to assure that as a group, the Committee has the necessarily broad experience and perspectives required to perform both functions.

2. Do you support the sector definitions and the nomination and ranking process for the transition committee? Please explain the basis for your views.

Comments:

The sectors identified by the proposal align with current stakeholder participation, and, therefore, for the purpose of selecting members for the Transitional Committee(s), the sectors, as defined, might suffice.

However, these sectors should not be carried forward into the long-run institutional structure. While state agencies’ and public interest entities’ interests may align, they do not always, and consumer interests are not recognized. The long-run governance structure should provide separate representation for environmental stakeholders, state agencies, and consumer interests.

3. Do you support the number of members in the transition committee and its composition? Please explain the basis for your views.

Comments:

Please see response to question one.

4. Do you support the independence proposals identified in the paper for long-term independent EIM structure? Please explain the basis for your views.

Comments:

Given the ongoing bifurcation of WECC into two new entities and the development of two independent governance structures for each, as opposed to the hybrid board structure of the existing organization, developing an independent governance structure appears appropriate and is aligned with the results from significant industry vetting over the past two years.

5. Are there details not covered here that you would suggest be included in the next round that will include a draft charter?

Comments:

6. Any other comments?

We appreciate the opportunity to provide input.