

Comments of Arizona Public Service Co.
Consolidated EIM Initiatives
Draft Final Proposal dated September 5, 2017

APS appreciates the opportunity to review the September 5, 2017 Final Draft Proposal of the Consolidated EIM Initiatives.

1. Equitable Sharing of Wheeling Benefits

Although this portion of the Consolidated EIM Initiatives has been removed from scope, APS continues to support this initiative as a proposal that seeks to compensate EIM entities that provide their transmission to accommodate the transfer of energy from one EIM entity to another without benefits to their own territory. APS does appreciate many of the other stakeholder comments and concerns that there is not yet enough data and analysis on the impacts of Net Wheeling within EIM. APS does believe that as the EIM area expands, certain EIM Entities' transmission systems will only increasingly facilitate additional EIM transfers by wheeling generation from one EIM BAA to another EIM BAA. APS supports the design of a mechanism of compensation on wheel through transmission lines within EIM.

APS does appreciate that CAISO has acknowledged that this initiative is worthy of a reconsideration at a later date through adding it to the Stakeholder Initiatives Catalogue and by committing to reporting net wheeling data within EIM in the EIM quarterly benefits reports.

APS would like to recognize that compensation for transmission system use by EIM transactions is an important consideration in the overall EIM design and when the initiative is again brought back to stakeholders APS would like to stress that any new proposal should be such that it is a minimal impact to

And the cost or fee should be set at the same level across entire EIM.

2. EIM Enhancements Winter 2017 (Formerly- New EIM Functionality)

APS supports and has no objections to the five enhancement proposals in this section of the initiative. APS appreciates the work and continued efforts of CAISO to enhance EIM functionality.

Additionally, APS would like to recognize and show appreciation to CAISO and Powerex in facilitating and providing to all stakeholders the Powerex Energy Imbalance Implementation presentation. We look forward to the addition of Powerex to EIM.