

CLECA Comments

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the draft final proposal for the EIM Governance posted on June 22, 2015.

[Please submit comments to EIM@caiso.com](mailto:EIM@caiso.com) by close of business July 9, 2015

1. Basics of the EIM governing body

Comment:

CLECA has no comment at this time but reserves the right to respond to other stakeholder comments.

2. Selecting members of the EIM governing body (including the selection process and composition of the nominating committee)

Comment:

The selection process and composition of the nominating committee should be revised to include a voting member to represent end-user interests; the CAISO's selection process for its governing body includes voting representatives from six member-classes, one of which is end-users (ratepayers) and retail energy providers. (<http://www.caiso.com/Documents/BoardSelectionPolicy.pdf>) CLECA believes that CAISO selection process has worked well and should be emulated here.

The current Draft Final Proposal, however, only offers a single advisory role to "representatives of public interest and consumer advocate[s]." (Draft Final Proposal, at 8) While it is not clear if the reference in the Draft Final Proposal to consumer

advocates is intended to include end-users (ratepayers) as well, that is doubtful since the CAISO selection process also includes a separate member class (with a vote) for public interest groups; this member class refers to “consumer advocates, environmental groups and citizen participation”. (Id.) In reality, the public interest group class currently does not include consumer advocates, but rather focuses on environmental and solar energy advocacy groups. Critically, end-user interests, while including policy and environmental concerns, focus primarily on the impacts of decisions and actions on system costs and the rates that consumers pay, as well as retail competitive issues; environmental groups tend to focus almost exclusively on environmental concerns, with little focus on costs. To group end-users and their ratepayer interests with environmental advocates that are not likely to share the ratepayer and cost concerns would be a dis-service to both groups. End-users should have their own member class voting representative on the nominating committee.

The Draft Final Proposal does not provide for a separate end-user voice, nor does it provide for a joint end-user vote with another member-class. The public interest and consumer advocates only have an advisory role. This double-dilution of end-user ratepayer interests fails to recognize the financial interest end-use ratepayers have in the EIM. The Draft Final Proposal states, “The Committee believes that this power [to vote] should be given to *entities in sectors that have the most interest in EIM because they have made a financial investment*, as both a reward and an incentive for making such a commitment. Public interest and consumer groups, but their very nature, are not in a position to make such a commitment.” (Draft Final Proposal, at 8 (emphasis added)) This statement utterly and wrongly disregards the fact that it is end-users – ratepayers - who ultimately pay the costs of the EIM and transmission assets. The end-user class of stakeholders, with a clear financial interest in the EIM, is simply not adequately represented in the proposed EIM nominating committee.

While the Draft Final Proposal recognizes the risk of having a nominating committee that may “act solely in support of the private interests of the market participants”, adoption of a state regulators’ representative with a vote is not sufficient. End-users should be accorded a member representative on the nominating committee with a vote. This would align with the end-user sector’s participation in the CAISO governing board nominee review committee and with their vested financial interest in the EIM.

3. Scope of authority (including the proposed process for resolving disputes about which body has primary authority over a particular policy initiative)

Comment:

If the above recommendation to include on the nominating committee a voting representative for end-user interests (as opposed to a non-voting advisory member possibly shared with public sector interests) is included in the final proposal, CLECA would agree with the proposed scope of authority and the dispute resolution process. If not, however, the dispute resolution process should be revised to encourage and highlight end-user participation in the “stakeholder discussion” of the dispute, which is intended to inform the resolution of the dispute by a vote of the two boards (CAISO and

EIM).
4. Composition and role of the advisory body of state regulators (including leaving development of their role and relationship with the ISO to the regulators themselves)
<p>Comment:</p> <p>CLECA has no comment at this time but reserves the right to respond to other stakeholder comments.</p>
5. Regional Advisory Committee (including what issues the proposed committee should address and whether it would provide a productive forum for discussion of the issues and/or would enhance the ISO's existing stakeholder process)
<p>Comment:</p> <p>As with the composition of the nominating committee and for the same reasons, the Regional Advisory Committee should include a representative for an end-user sector; the Draft Final Proposal only lists the following sectors:</p> <ul style="list-style-type: none"> • Transmission-owning utilities; • Independent generators and marketers; • Publicly-owned utilities; • Public interest groups and consumer advocates; and • Neighboring adjacent balancing authority areas. <p>(Draft Final Proposal at 25) There is increasing discussion of the emerging regional nature of the California ISO; as the ISO's "nature" transitions, end-user interests should not be left behind. In the establishment of transitional, possibly foundational, new governing committees and given the significant financial impact the ISO and its markets have on the end-user sector, care must be taken to ensure this sector is represented and has a voting voice.</p>
6. Commitment to re-evaluate governance
<p>Comment:</p> <p>CLECA has no comment at this time but reserves the right to respond to other stakeholder comments.</p>
7. Miscellaneous items.

Comment:

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