I. INTRODUCTION

Western Energy Imbalance Market ("EIM") current and future participants, Arizona Public Service, Balancing Authority of Northern California, Idaho Power, NV Energy, PacifiCorp, Portland General Electric, Powerex Corp., Puget Sound Energy, Seattle City Light, and Salt River Project ("EIM Entities") hereby submit the following comments to the California Independent System Operator Corporation ("ISO") on the Annual Policy Initiatives Roadmap Process straw proposal that was published July 18, 2017, ("Straw Proposal"). The identified EIM Entities appreciate the opportunity to provide comments on this initiative for the ISO's consideration.

II. COMMENTS

A. Policy Initiatives Catalog

In the Straw Proposal, the ISO explains that the Policy Initiatives Catalog ("Catalog") will continue to document current, planned, and potential policy initiatives to develop enhancements to the ISO markets, infrastructure and planning policy, which will be used in developing the Policy Initiatives Roadmap ("Roadmap"). Further, the ISO proposes to allow stakeholders to submit requests for additions to or removal from the Catalog at any time throughout the year, using a newly developed request template. The EIM Entities support these proposals.

The ISO also proposes that the Catalog will be published twice per year, in February and August. The EIM Entities generally support the twice per year publication of the Catalog to the extent that doing so will add value to the Roadmap process. The EIM Entities request additional development, transparency, and clarification of the Catalog process to ensure stakeholders are notified of stakeholder requests to add or remove items from the Catalog, and are provided an opportunity to comment on each request. For example, when the ISO receives a request from a stakeholder, the ISO proposes to publish the request, but the EIM Entities request that the ISO also notify stakeholders that the request has been published and provide a timeframe within which stakeholders may submit comments on the request. Only after considering stakeholder comments, should the ISO make its "preliminary" decision to accept or deny the request. Upon its preliminary decision, the ISO should publish its response to the Catalog request, including the ISO's preliminary decision on whether or not to make the requested revision(s) to the Catalog, notify stakeholders that the ISO's response has been published, and provide an opportunity for stakeholders to comment on the ISO's response and preliminary decision. After consideration of any additional stakeholder comments, the ISO should publish its "final" decision on the request,

with an explanation, notify stakeholders of publication, and make the appropriate revisions in the next updated version of the Catalog. The EIM Entities believe that this process aligns better with the ISO's policy initiatives stakeholder process, and would provide improved transparency and structure. In addition, the ISO proposes in its Straw Proposal that the Catalog versions published in February and August will be final. The EIM Entities support this proposal only if the process for each new request, as suggested above, is implemented. Because the process would give stakeholders a suitable opportunity to comment on each Catalog request, the EIM Entities believe it would be appropriate to publish the Catalog in its final form in the months of February and August.

B. Policy Initiatives Roadmap

The Straw Proposal sets forth a new Roadmap process, which includes retirement of the ISO's ranking criteria and process. The EIM Entities support this proposal, as stakeholders have agreed that the ranking process was not transparent, and was extremely subjective and ineffective. However, the EIM Entities request clarification on how the ISO plans to create its draft Roadmap without a ranking process. The ISO explains in the Straw Proposal that it will publish a draft proposed one year Roadmap that includes an explanation of the ISO's rationale for undertaking each initiative, which would also include the ISO's cost/benefit analysis and implementation considerations. The EIM Entities would like to better understand how the initiatives on the draft one year Roadmap, which appears to be formatted as it is today (showing the months in which each initiative stakeholder process is proposed to begin and end), will be prioritized if there is no ranking process. Will the ISO's explanation of its rationale for undertaking an initiative include details on its rationale for the initiative's prioritization?

The ISO explains in the Straw Proposal that in addition to the one year Roadmap, it will include a high-level three year Roadmap. While the EIM Entities agree that sharing a longer term planning horizon with stakeholders may be beneficial to more effectively plan policy development and help stakeholders understand the ISO's longer term strategic vision, the EIM Entities request an opportunity for stakeholders to provide comments on the three year Roadmap. The EIM Entities are concerned that the ISO's proposal to group synergistic initiatives together could result in years on the three year Roadmap in which priorities supported by the EIM Entities are not addressed at all. Providing an opportunity to comment on the three year Roadmap would give stakeholders the chance to raise such concerns for consideration prior to the following year's one year Roadmap process.

C. Role of the ISO Board of Governors and the EIM Governing Body

The ISO states that the Market and Infrastructure Policy Director will provide a briefing of the *Final Annual Initiatives Policy Roadmap* to the EIM Governing Body and the ISO Board of Governors in December each year. The EIM Entities request additional details on the specific roles for each governing board/body, including whether or not each governing board/body will be given approval authority over the proposed Roadmap in each of their areas of respective

oversight. The EIM Entities also request that the ISO clarify exactly how each governing board/body will have the opportunity to provide input on the Roadmap and the process by which that input will be considered and incorporated by the ISO.

III. CONCLUSION

The EIM Entities appreciate the ISO's consideration of these comments.