



January 28, 2015

**NV ENERGY'S COMMENTS FOR THE
CAISO EIM YEAR 1 ENHANCEMENTS AND
JANUARY 8 PRESENTATION MATERIALS**

I. INTRODUCTION

NV Energy hereby submits the following comments to the California Independent System Operator Corporation ("CAISO") with respect to the Energy Imbalance Market ("EIM") Year 1 Enhancements and January 8, 2014 Presentation Materials. NV Energy appreciates the opportunity to provide comments on this initiative for the CAISO's consideration.

II. COMMENTS

A. Establishment of EIM Transfer Limits Using ATC

NV Energy supports the CAISO proposal with respect to establishment of the EIM Transfer limit using ATC. As NV Energy understands the proposal, the CAISO will look to the EIM Entity to report the ATC value, consistent with its approved methodology for identifying ATC in the EIM Entity's OATT, by T-40. The CAISO's dispatch model will respect the reported ATC limits in determining which EIM Participating Resources to dispatch to meet imbalance needs. If a Transmission Customer elects to modify their schedule after T-57 or other deadline specified in the EIM Entity's OATT, that customer would be subject to the FERC-approved imbalance provisions resulting in a change from that customer's Forecast Data submitted directly to the CAISO Base Schedule Aggregation Portal for the operating hour in question, which was used in the EIM Entity's Base Schedule and from which the CAISO assessed imbalances to the EIM Entity. NV Energy believes this approach will help maximize the transmission capacity available to the EIM subject to operating experience with the proposal

B. 15-Minute Bidding on Intertie Scheduling Points

NV Energy opposes **mandatory** 15-minute bidding on external intertie scheduling points at this time. NV Energy is working diligently to prepare for EIM implementation in the fall of this year. As the CAISO has experienced with PacifiCorp, the incorporation of an EIM Entity into the CAISO market structure with the necessary enhancements to metering, communication systems, settlements, and other functions is a significant and complicated undertaking. It would be inappropriate for the CAISO to require a change in scope at the same time NV Energy is striving diligently to commence EIM operations.

Importantly, the absence of a mandate does not in any way hinder the development of 15-minute bidding by PacifiCorp should PacifiCorp voluntarily determine that such an expansion is reasonable and can be done in a way that protects and benefits its customers. PacifiCorp can make this evaluation based on its own experience and system requirements.

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Finally, NV Energy notes that 15-minute bidding on the interties was not part of the evaluation by the Nevada Public Utilities Commission's authorization of NV Energy's participation in the EIM. NV Energy stresses that these comments are not meant to indicate any long-term position on the efficacy of 15-minute bidding on NV Energy's external intertie scheduling points. Only that it would be wholly inappropriate to mandate such a requirement at this time. Once NV Energy begins its EIM participation there will be additional data in which to evaluate the costs and benefits of such a market expansion.