

Notice

To: Richard Maullin, Chair, Board of Governors

Douglas Howe, Chair, EIM Governing Body

From: Roger Collanton, Vice President, General Counsel and Corporate Secretary

Date: June 28, 2017

Re: Notice of Initial Decisional Classification (Advisory)

for "Energy Storage and Distributed Energy Resources Phase 2"

Any objections to this decisional classification are due by July 5, 2017.

This is formal notice of ISO Management's initial decisional classification for "energy storage and distributed energy resources phase 2." Any objection to the initial decisional classification is due to Management by July 5, 2017. Otherwise, this initiative will be presented for decision consistent with the classification described below.¹

Management has concluded that this initiative falls within the EIM Governing Body's advisory role (E2), which means that the initiative will be presented to the Board for approval. The EIM Governing Body will also receive a briefing on the proposal and may provide advisory input to the Board. This classification is consistent with the classification presented in the Briefing on Policy Outlook at the April 19, 2017 EIM Governing Body meeting.

The draft final proposal for this initiative is located at:

http://www.caiso.com/Documents/DraftFinalProposal-

<u>EnergyStorage DistributedEnergyResourcesPhase2.pdf</u>. Additional relevant papers for this initiative are located at:

http://www.caiso.com/informed/Pages/StakeholderProcesses/EnergyStorage_DistributedEnergyResourcesPhase2.aspx.

Written stakeholder comments on the draft final proposal, including the proposed classification, were due June 23, 2017. There were no objections to the initial decisional classification.

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¹ This process is described in the Guidance for Handling Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body at http://www.caiso.com/Documents/GuidanceforHandlingPolicyInitiatives-EIMGoverningBody.pdf.