



Comments of Pacific Gas & Electric Company

Consolidated Energy Imbalance Market Initiatives – Draft Final Proposal

Submitted by	Company	Date Submitted
Jomo Thorne (415) 973-3144	Pacific Gas & Electric	September 27, 2017

Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator's (CAISO) Consolidated Energy Imbalance Market (EIM) Initiatives Draft Final Proposal Paper.

PG&E is strongly supportive of the EIM and its continued growth and health, and encourages caution about any market design changes that might have an unintentional adverse effect on the attractiveness of EIM participation, either for existing member entities, or planned or prospective new entrants. To that end, PG&E supports CAISO's decision to remove the *Third Party Transmission Contribution*, *Management of Bilateral Schedule Changes*, and *Equitable Sharing of Wheeling Benefits* from the scope of this initiative, as we did not feel sufficient value added had been demonstrated to warrant these market changes.

PG&E does have a concern over the process CAISO followed vis a vis the remaining scope of the initiative. The initiative schedule appears to be primarily driven by the planned integration of Powerex into the EIM in Spring 2018, and not by requests from incumbent EIM members. The market design changes that remain in the initiative are recent additions that were added very close to the end of the stakeholder process. Not only does this leave little time for proper vetting of the proposed market design, but also sets a precedent we hope does not become the norm going forward.

PG&E believes that CAISO must give stakeholders an opportunity to adequately review in detail the operational arrangements CAISO expects to make to accommodate Powerex's entry into the EIM in advance of providing comments on this Draft Final Proposal. To facilitate this, CAISO should provide an overview of the problems that are to be solved by the proposed changes and the way that the proposed changes will be applied to address these problems. This will enable stakeholders to assess whether the modifications proposed are the best way to solve the problems faced, identify any issues that the modifications could cause, and possibly propose changes to improve the market performance.