



**Portland General Electric Company**  
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**Comments of Portland General Electric Company on the  
Western EIM GHG Attribution Accuracy Report Demonstration  
December 18, 2017**

Portland General Electric Company (“PGE”) appreciates the opportunity to provide comments to the California Independent System Operator (“ISO”) on the Western Energy Imbalance Market (“Western EIM”) Greenhouse Gas (“GHG”) Compliance Attribution Accuracy Report Demonstration presented during the December 4, 2017 meeting. As the fifth utility outside the State of California to join the Western EIM, we have a vested interest in the net impact of the current and proposed Western EIM GHG attribution and accounting methods.

PGE has been supportive of the direction taken by the ISO to address the concerns raised by the California Air Resources Board (“CARB”) in regards to accounting for GHG impacts associated with EIM transfers and is appreciative of the analysis done to date on the initial two-pass methodology proposal. PGE understands the ISO has attempted to develop a program that meets the priorities of CARB without undermining the benefits of the Western EIM for the participants outside the State of California or extending the effective jurisdictional reach of the CARB beyond its borders, and PGE appreciates the efforts that have been made in this area.

Based on the presentation at the December 4, 2017 meeting, it appears the initially-proposed two-pass solution could result overall in more accurate, as compared to the current program, attribution of GHG compliance obligations to resources dispatched in the Western EIM that are determined to have served California load. However, the study results presented during the December 4, 2017 meeting, and the analysis submitted by Dr. Hogan, uncovered some troubling potential outcomes of the proposed solution. Therefore, PGE believes that significant additional analysis is needed before any long term Western EIM GHG attribution method can be appropriately assessed.

PGE requests the following additional analyses or activities be performed before a final decision is made on the appropriate methodology for attributing GHG compliance obligations to resources dispatched in the Western EIM and determined to have served California load.

1. Any further dispatch modeling needs to include: (1) known inertia and inter-regional transfer limitations, and (2) the expanded Western EIM footprint and resource mix, including PGE and any other entity that will be joining imminently.
2. Further analysis is needed, and solutions proposed with stakeholder involvement, on the bidding-behavior concerns that were identified in the first round of the analysis.
3. Further analysis is needed on potential price impacts from the two-pass solution and whether it undermines the efficient economic dispatch of resources. A price-impacts analysis needs to go beyond an assessment of whether GHG costs will be included in settlement prices outside of California. The analysis should also review any changes to the dispatch itself that may alter or modify the resulting energy prices outside of California.

4. The ISO needs to ensure that implementation of the attribution solution can be translated to a multi-state GHG regime as other states (i.e. Oregon) are contemplating a carbon pricing scheme. Further, the ISO needs to address whether it can extend the option to similarly adapt its market design to meet the needs of states other than California if requested at a future date.

As always, PGE encourages the ISO to allow stakeholders sufficient opportunity to provide feedback during this extended study phase. PGE appreciates the opportunity to provide comments to the ISO and encourages continued discussions between the ISO and CARB to help ensure that CARB will fully support the methodology and adjust its programs to fit with the capabilities of the modified optimization. For any follow-up communications, please contact Elysia Treanor at (503) 464-8528 or at [Elysia.Treanor@pgn.com](mailto:Elysia.Treanor@pgn.com) or Dan Williams at (503) 464-7399 or at [Dan.Williams@pgn.com](mailto:Dan.Williams@pgn.com).