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September 22, 2017

via e-mail: initiativecomments@caiso.com

**Subject: Consolidated EIM Initiatives – Draft Final Proposal**

PGP appreciates the opportunity to comment on the Draft Final Proposal for the Consolidated EIM Initiatives. While PGP generally supports the direction taken on this initiative, PGP does request that the ISO better summarize the range of stakeholder comments received on the Equitable Sharing of Wheeling Benefits.

**Better Summarize Comments on Equitable Sharing of Wheeling Benefits**

PGP recognizes that a majority of the stakeholder comments did not support moving forward at this time with either of the options that the ISO proposed for Equitable Sharing of Wheeling Benefits. However, PGP did find the ISO's summary of stakeholder comments to be overly brief and to omit important input from those that did support moving forward and even those that did not support moving forward. PGP requests that the ISO more fully summarize the perspectives in the Final Proposal and in the summary of this issue in the Stakeholder Initiatives Catalog. In reviewing stakeholder comments, PGP observed the following significant items:

- Of the 16 comments received, five stakeholders (PGP, BPA, Powerex, APS, and NV Energy) supported further exploration of the options. Consistently, these commenters support the principle of compensation for transmission system use by EIM wheel through transactions. However, the Draft Final Proposal suggests, "Stakeholders generally opposed implementation of either option."
- Of those stakeholders that did not support moving forward, many of them recommended that pursuing an option was premature but the issue merits further study. Specifically, commenters suggested that there was not sufficient information at this time, with only 9 months of data made available.
- Some stakeholders indicated that flow patterns would change as new EIM Entities are added to the system. One commenter suggested re-evaluating the information once the near-term EIM Entities (PGE, Idaho, and Powerex) had joined.
- Some commenters have indicated that transmission compensation is an important consideration for joining the EIM, while other entities want to better understand the problem statement. This is important because parties have not come to alignment on whether wheel through schedules cause financial harm. The data is clear that some entities are wheeled through more than others. PGP believes that the ISO summary, which concludes that *all EIM Entities are benefiting more than they are facilitating wheels*, is too strong of a conclusion.

PGP appreciates that the ISO is going to continue to track and share the information through quarterly reports. Given the effort that people have put into their comments, it would be helpful if the ISO better captured those comments to frame the issue going forward. PGP recommends that when the ISO summarizes this issue for the Stakeholder Initiatives Catalog that it include a summary of why some stakeholders believe there is a need for sharing of benefits for wheel through transactions, independent of the other benefits that an EIM Entity might be receiving.

**Support New Functionality**

PGP supports the new functionality being proposed. PGP finds that the proposed changes provide increased accuracy and efficiency to the EIM:

- The matching and mirroring functions will automate what is manual today and will improve accuracy and market efficiency.
- Hourly generation distribution factors will provide a more accurate assessment of flow impact of non-participating resources.
- Base ETSR imbalance settlement information should be beneficial to EIM entities in general and, if extended to third parties, could help address EIM settlement issues.
- Expansion of the Non-Generator model can have application beyond Powerex.

PGP recognizes that this functionality is being pursued to support incorporation of Powerex into the EIM, but is available to all EIM Entities. PGP commends the ISO for maintaining core EIM requirements while also taking actions to support the different legal and regulatory circumstances of Powerex. PGP believes it is appropriate for the ISO to require core EIM requirements be met while also recognizing and developing functionality or tools to accommodate the different resource, legal, regulatory and/or Balancing Authority Area circumstances for new entrants that may differ from the early entrants into the EIM.

Thank you again for consideration of our comments.

**Public Generating Pool**