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via e-mail: initiativecomments@caiso.com

Subject: Straw Proposal – Consolidated EIM Initiatives from 2017 Roadmap

Thank you for the opportunity to comment on the Consolidated EIM Initiatives from 2017 Roadmap Straw Proposal. While PGP has comments only on the Equitable Sharing of Wheeling Benefits portion of the Straw Proposal, it is supportive of the approach CAISO has taken to address the other issues presented in the Straw Proposal.

Equitable Sharing of Wheeling Benefits

PGP supports the development of a benefit sharing arrangement with intermediary EIM BAAs that facilitate wheel through of EIM transactions. The data presented in the straw proposal demonstrates that the amount of wheel through is correlated to geographic location. It will be important to recognize and support the EIM participation and use of transmission for those in geographically significant areas. Recognition of the value these entities provide while simultaneously minimizing disruption to EIM dispatch should be the overarching goals of this initiative.

Between the two options proposed by CAISO to accomplish the compensation to wheel through BAAs, PGP favors the option for ex-post payment based on net wheeling. It has the benefit of being after-the-fact and based on actual wheels. The option is straight-forward and would minimize disruption to the market. Further, PGP suggests that compensation for wheel through entities be based on an appropriate allocation of actual EIM benefits rather than some pre-defined rate.

PGP appreciates the CAISO's consideration of these comments.