

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Thad LeVar, Chair Public Service Commission of Utah tleva@utah.gov (801) 530-6929	Public Service Commission of Utah	July 9, 2015

1. Basics of the EIM governing body

Comment:

The Public Service Commission of Utah (Utah Commission) appreciates the skillful work and transparent process of the EIM Transitional Committee.

We acknowledge the independent decision of PacifiCorp and the ISO to form an EIM has triggered interest from other utilities in joining the EIM. We further understand the work of the EIM Transitional Committee is being performed in the context of PacifiCorp's recent announcement that it is exploring the potential costs and benefits of joining the ISO as a transmission owner.

While we recognize PacifiCorp's announcement may inform the issue of EIM governance, we question the premise of the proposal's introduction that "[t]he Western Interconnection has lagged behind other parts of the country in achieving the benefits of an efficient regional market." (Proposal p. 3). We are always interested in efficient use of resources. We observe, though, that Western states have avoided many of the controversies and litigation that have accompanied regional markets in other parts of the country. Western states like Utah enjoy a relatively reliable market structure with reasonable and predictable rates. While we are optimistic about the potential net benefits the EIM may provide to Utah ratepayers, we also are cognizant that the EIM is not yet functioning without price excursions. As such, we do not believe the starting point for a discussion regarding EIM governance should be the premise that a regional market approach is superior to the existing function of the Western Interconnection.

Considering the current status of the EIM, we view the governance proposal as a positive development and commend those who have worked so hard to balance interests. We have no opposition to any specific aspect of the proposal.

We caution, though, that the proposal should not be viewed as a default first stage of a

<p>governance regime should the ISO develop into something more than its current reach and authority, for example with the addition of transmission owners. We see a clear distinction between expanding the footprint of the EIM and expanding the reach of the ISO's authority. EIM footprint expansion is appropriate to address in this proposal. Expansion of the reach of the ISO's authority should be evaluated on a separate track because it would carry far different regulatory and legislative prerequisites and would require a wholly different approach to governance.</p>
<p>2. Selecting members of the EIM governing body (including the selection process and composition of the nominating committee)</p>
<p>Comment: We have no opposition to the proposal's method of selecting members of the EIM governing body.</p>
<p>3. Scope of authority (including the proposed process for resolving disputes about which body has primary authority over a particular policy initiative)</p>
<p>Comment: We have no opposition to the proposal's scope of authority with respect to the currently operating EIM. We caution that if the reach of the ISO's authority (as opposed to the EIM footprint) expands, the EIM governance proposal would not be appropriate, and would not necessarily be the proper starting point from which to redesign ISO governance.</p>
<p>4. Composition and role of the advisory body of state regulators (including leaving development of their role and relationship with the ISO to the regulators themselves)</p>
<p>Comment: The proposed governance structure would create opportunities that do not currently exist for the Utah Commission to provide input into EIM governance. We appreciate and support that opportunity. However, we do not view "the possibility for expanding and diversifying the Western Interconnection" (Proposal p. 23) as unqualifiedly positive, and we hope the premise would not become an unquestionable tenet of the work of the advisory body.</p>
<p>5. Regional Advisory Committee (including what issues the proposed committee should address and whether it would provide a productive forum for discussion of the issues and/or would enhance the ISO's existing stakeholder process)</p>
<p>Comment: We have no direct opposition to this aspect of the proposal. However, we question whether in practice the committee could be constrained from taking "up for consideration individual policy issues that are currently part of an ongoing stakeholder process." (Proposal p. 25)</p>
<p>6. Commitment to re-evaluate governance</p>
<p>Comment: We have no opposition to the proposed commitment to re-evaluate governance based on accumulated experience and changing conditions such as the expansion of the EIM footprint.</p>

We caution, though, that changes to the reach of the ISO’s authority (such as the addition of transmission owners) would carry regulatory and legislative prerequisites separate and distinct from EIM governance. We do not view the EIM governance proposal as a first step toward governance of an ISO with expanded reach and authority, and we strongly encourage the development of a separate and autonomous regional governance structure in the event of a more fundamental change to the ISO.

7. Miscellaneous items.

Comment: