



January 26, 2015

Stacey Crowley
Director, Regional Affairs
CAISO
250 Outcropping Way
Folsom, CA 95630

Re: Conceptual Governance Models for the Energy Imbalance Market

Dear Ms. Crowley,

Vote Solar appreciates the opportunity to provide comments on the January 5, 2015 issue paper prepared by the Energy Imbalance Market (EIM) Transitional Committee on *Conceptual Models for Governing the Energy Imbalance Market*. Vote Solar has been following the development of the EIM for several years now with great interest, not only for the potential to lower costs and improve reliability for participants, but for the EIM's potential to allow greater integration of renewable energy at the lowest possible cost.

Vote Solar agrees that the second option identified by the Transitional Committee, the creation of an EIM governing body with authority delineated under CAISO's bylaws, is the most viable and reasonable alternative. Throughout the development of the EIM, we have heard concerns from potential market participants outside California that they are reluctant to subject themselves to the influence or control of a CAISO whose board is appointed by California politicians. Similarly, we have heard concerns of California utilities, legislators and policymakers about losing control over the State's independent system operator.

We believe the second option strikes the best balance between California and out-of-state interests. Clearly, the first option does not give out-of-state entities enough comfort that they will be able to influence the operation and growth of the EIM, while the third option takes too much control away from the CAISO and adds significant costs. We therefore support the option of a new governing body, under existing CAISO bylaws, but with the sole focus and authority to govern the EIM.

We also agree with the recommendation from the Sonoran Institute's January 15th comments on the Issue Paper about the creation of an Advisory Committee to the EIM governing board. We believe that such a committee will allow more stakeholders to engage in and help shape the operation and future of the EIM. We believe input from a broad spectrum of stakeholders, such as those that comprise

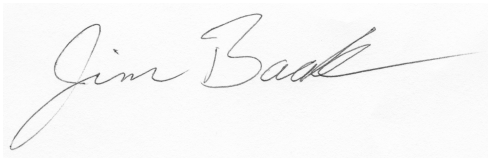
the EIM Transitional Committee, is critical to the overall success of the EIM, as well as necessary for supporting the broad policy and public interest concerns of all users of the electric grid in the Western Interconnection.

With respect to the evaluation criteria, we propose two additional considerations. First, we suggest adding criteria to evaluate how each proposal might be responsive or receptive to stakeholder input from a variety of stakeholder groups. As we stated above, we believe this is an important element of a successful EIM, particularly if the functions of the EIM are eventually expanded.

Second, we suggest each proposal be evaluated for “political” viability – how much resistance it might receive from participants or potential participants and what impact it may have on the ability of the EIM to grow, increase participation and further reduce costs.

Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink that reads "Jim Baak". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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