



Portland General Electric Company  
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**Comments of Portland General Electric Company on  
*EIM Greenhouse Gas Enhancement – 2<sup>nd</sup> Revised Draft Final Proposal*  
March 1, 2018**

Portland General Electric Company (“PGE”) appreciates the opportunity to provide comments to the California Independent System Operator (“ISO”) on the *2<sup>nd</sup> Revised Draft Final EIM Greenhouse Gas Enhancement Proposal* (“Proposal”) dated February 16, 2018. PGE recognizes the difficulty this initiative has posed for the ISO and stakeholders, and commends the ISO’s willingness to adapt its proposals as new considerations have been brought forward by stakeholders, including the Market Surveillance Committee. At this time, however, PGE is unable to support the current Proposal in full, and offers the following comments on the issues.

- **PGE Supports the ISO’s Proposal to Limit the “Deemed Delivered” MW Quantity:** The Proposal limits the amount of generation that can be attributed to serving California load to the difference between the resource’s economic maximum output and its base schedule. PGE is supportive of this concept and sees it as a significant improvement to the current deemed delivered methodology. This change should also help reduce the quantity of “secondary dispatch emissions” identified by the California Air Resources Board. While PGE would prefer the ISO continue to pursue the two-pass approach previously proposed, PGE recognizes this change in the Proposal will be significantly easier to implement. Therefore, PGE supports this change to the deemed delivered methodology in the near-term.
- **PGE Does Not Support the ISO’s Proposal to Apply a Hurdle-Rate to Carbon-Free EIM Resources:** The application of a hurdle rate to carbon-free EIM resources is inaccurate and has potential resource discriminatory effects. Additionally, throughout development of the EIM, PGE has opposed any market design changes that would serve as a disincentive to the expansion of participation in the EIM. In PGE’s view, the application of a default emissions rate to EIM resources that would otherwise be considered carbon-free, could cause entities with surplus carbon-free generating capacity to avoid EIM participation in favor of other market opportunities.

PGE appreciates the opportunity to provide comments to the ISO with regard to the Proposal, and looks forward to continuing to work with the ISO and stakeholders to develop alternative solutions that do not unduly distort broad wholesale market economics or potentially undermine the future value of the EIM.

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 as (503) 464-7399 or at [Dan.Williams@pgn.com](mailto:Dan.Williams@pgn.com).