

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the EIM Governance straw proposal posted on March 19, 2015.

[Please submit comments to EIM@caiso.com](mailto:EIM@caiso.com) by close of business April 16, 2015

The straw proposal is available on the ISO website at:

http://www.caiso.com/Documents/StrawProposal-LongTermGovernance_EnergyImbalanceMarket.pdf

The slides presented during the March 31, 2015 stakeholder meeting are available at:

http://www.caiso.com/Documents/Agenda_EnergyImbalanceMarketGovernance-StrawProposal.pdf

The EIM Transitional Committee welcomes and appreciates stakeholder feedback related to the straw proposal for the EIM Governance initiative. Please use the following template to comment on the key topics addressed in the proposal:

Structure - composition of the Nominating Committee, composition of the EIM governing body, and process for selecting members.

Comment:

The straw proposal outlines a governance structure for a newly established independent EIM Governing Body to have primary oversight of EIM-specific market rules that apply to the EIM participants. The Public Utilities Commission of Nevada

(“PUCN”) generally supports this proposal. The PUCN filed comments on January 26, 2015 generally recommending governing structure choice 2, the “Governing Board Established by California ISO Bylaws.” The PUCN appreciates that the straw proposal moves forward with choice 2.

The straw proposal also creates a new Advisory Council of Regulators and Municipal Utility representatives to advise both the Board and the EIM Governing Body. Rules establishing and codifying the EIM Governing Body will be written into the CAISO’s bylaws, governed by the Board. The PUCN supports an independent Governing Body established by CAISO bylaws because it seems the most practical approach.

The straw proposal includes only four stakeholder sectors as voting members of the nominating committee that will identify and select proposed members for the EIM governing body. The PUCN agrees with the California Public Utilities Commission (“CPUC”) that there needs to be a clarification regarding the nominating committee and whether that committee will only include one representative (in total) from the publicly-owned utilities sector. The proposal calls for a representative from the publicly-owned utility sector to serve as a voting member of the nominating committee. The PUCN expects that the nominating committee representative from the body of state regulators of publicly-owned utilities would be a state regulator and not a second member from a publicly-owned utility.

Scope of authority – scope of authority, including whether it is appropriate and workable, the examples of issues that would fall within the primary and secondary authority of the EIM governing body, and process for resolving disagreements about the particular proposed rule changes or the scope of authority generally.

Comment: The PUCN generally supports the proposed scope of authority for the EIM Governing Board. The PUCN supports writing a detailed statement of the scope of authority delegated to the EIM Governing Body into the bylaws. Writing clear definitions of the scope of authority as well as outlining the structure of the Governing Body leadership and management will likely go a long way to avoid conflicts regarding decision making authority later on.

Documentation – documentation of these arrangements in the ISO’s bylaws and a charter from the ISO Board of Governors, and mission of the EIM governing body that would be identified in its charter

Comment: The PUCN generally supports the straw proposal to document the delegation of authority to the EIM Governing Body in the CAISO’s bylaws.

Committee of regulators – composition, including the balance of representation between state commissions and public power, and role of the committee

Comment: The PUCN appreciates the straw proposal’s clarification on how state regulators will participate in the process, which is an issue the PUCN raised in its January 26, 2015 comments. The PUCN agrees with the comments of the CPUC that

the Transitional Committee consider incorporating a procedure for allowing the members of the Committee of Regulators to vote by proxy and allow for participation and voting in meetings by phone.

Trigger for re-evaluating EIM governance

Comment: The PUCN generally recommends that the governance structure be periodically assessed for effectiveness. The straw proposal includes a variety of potential triggers that could give rise to evaluating the possibility of more fundamental governance changes. As a whole the PUCN suggests a balance between enough triggers for reevaluation without including too many triggers that may cause interruptions to the EIM governance.

Criteria for evaluating proposals – to revise and simplify the criteria for evaluating governance proposals, as reflected in the appendix

Comment: The PUCN generally supports the criteria for evaluating the governance proposals. As stated in the PUCN's January 26, 2015 comments, the PUCN is curious as to the scope/limitations of the expansion of the functionality of the market to provide services as requested by EIM entities.

Miscellaneous items – Please provide comments to other aspects of the straw proposal or governance related issues here.

The PUCN looks forward to the second straw proposal due to be released May 21. The PUCN understands that the EIM governance issues are in flux, particularly because of any PacifiCorp additions to the CAISO. The PUCN looks forward to continuing to comment on EIM governance issues, and thanks the Transitional Committee for their hard work thus far.