



WESTERN RESOURCE
ADVOCATES

December 17, 2013

Board of Governors
California Independent System Operator
P.O. Box 639014
Folsom, CA 95763-9014

Dear Chairman Foster and Board of Governors:

Western Resource Advocates (WRA) appreciates the leadership of the California Independent System Operator (ISO) in furthering the effort to develop a west-wide energy imbalance market to cost-effectively integrate intermittent renewable energy, efficiently use existing transmission capacity, and enhance operating reliability. WRA is an environmental organization dedicated to protecting the land, air and water of the interior west. Meeting the emissions reductions identified by science as necessary to protect public health and avert climate disaster is central to our mission, and integrating higher levels of renewable energy reliably and economically is an essential component of an overall strategy to reduce greenhouse and other noxious emissions.

At this time, we wish to express support for the ISO management's EIM Governance Proposal and associated Transitional Committee Charter. We have been pleased to participate in the open and transparent process that resulted in the current proposal to develop a long-term governance structure through the Transitional Committee. In addition to the progress that the ISO is making with regards to the design and implementation of the EIM, the need for an open and transparent regional process for the development of a long-term governance structure that is independent from the control of any one state is key to its success.

The ISO management's Governance Proposal and Transitional Committee charter recognize the need to include a geographically diverse set of regional stakeholders in the decision making process in what has historically been a purely California market. The development of a Transitional Committee through the sector nomination and ranking process is a reasonable approach to gather a pool of well-qualified individuals with broad cross-sector experience to inform the Board with analysis and recommendations on an appropriate governance structure for an independent regional EIM.

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Further, WRA strongly believes that the existing EIM stakeholder process should continue to be the venue for the vetting of final market testing and EIM implementation. While the Transitional Committee members may have expertise in these technical details, the formation and development of a governance structure for an EIM which is independent from any one state should remain their primary focus.

WRA supports the approval of the EIM governance proposal and Transitional Committee Charter and looks forward to continued participation as the ISO moves toward successful implementation.

Sincerely,

Nancy Kelly
Senior Policy Advisor,
Western Resource Advocates