

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide written comments on the draft final proposal for the EIM Governance posted on June 22, 2015.

Please submit comments to EIM@caiso.com by close of business July 9, 2015

The draft final proposal is available on the ISO website at:

http://www.caiso.com/Documents/Briefing_Governance_Proposal-DraftFinalProposal-June2015.pdf

The slides presented during the June 25, 2015 EIM Transitional Committee meeting are available at:

http://www.caiso.com/Documents/Briefing_GovernanceProposal-Presentation-Jun2015.pdf

The EIM Transitional Committee welcomes and appreciates stakeholder feedback related to the draft final proposal for the EIM Governance Development initiative.

Please use the following template to comment on the key topics addressed in the proposal. Organizing your submission around the different sections of the EIM governance proposal will assist the Committee in its review of the comments.

1. Basics of the EIM governing body

Comment:

Introductory Remarks

WRA appreciates the opportunity to provide input to the Transitional Committee on the Final Proposal. Because our primary comments are structural with the newly proposed

Regional Advisory Committee at their core, the comments in this section are an overview with further specificity provided in additional sections.

We fully support the modifications made to the final proposal, including removal of representatives of publicly-owned utilities from the proposed Advisory Body of State Regulators, the removal of the CEO from the Nominating Committee, and the modifications to the proposed trigger for re-evaluating EIM governance. However, of the modifications undertaken in the Final Proposal, we most strongly support the inclusion of a Regional Advisory Committee. We believe this Committee can serve a vital function in providing two-way communication between the CAISO and the region.

That said, we strongly encourage the Transitional Committee to reconsider the sectoral structure of the Regional Advisory Committee and to align its structure with the structure of existing regional organizations (We discuss this in Section 5.) Once that is done, we further recommend the TC consider using the stakeholder process that leads to the selection of the Regional Advisory Committee to select Nominating Committee and Advisory Body of State Regulators members. This will simplify what could otherwise be multiple and time-consuming selection processes.

The Introduction to the Final Proposal wisely recognizes, “[the EIM governing body], the regional stakeholder process, and the committee of state regulators will not only be judged on the success of the EIM initiative; those institution also form the foundation for broader governance should PacifiCorp or others join the ISO as transmission owners.” (Page 3)

Recognizing that the organizational structure developed today could form the foundation for broader governance, we believe the TC should consider making use of the stakeholder sectors used by other regional organizations including WECC and Peak Reliability. These sectors were developed with much regional input and have been found to be workable and durable over time. Specifically, we propose the following sectors be established for the Regional Advisory Committee:

- Transmission-owning utilities;
- Publicly-owned utilities;
- Independent Generators and Marketers;
- Public Interest Groups and Consumer Advocates, and
- State and Provincial Interests.

We further recommend that the selection of the Nominating Committee members (other than from the EIM Body itself) and the Advisory Body of State Regulators members occur through the Regional Advisory Committee stakeholder processes. Significantly, as currently proposed, the composition of the Nominating Committee and the Advisory Body of State Regulators are, for the most part, subsets of this general electric industry sector structure. These subsets are already participating in or affected by the EIM. Other stakeholders are not yet participating in or affected by the EIM, but that could soon change. Organization of the selection of Nominating Committee and

Advisory Body of State Regulators members through the larger regional structure recognizes the expected growth of the EIM.

2. Selecting members of the EIM governing body (including the selection process and composition of the nominating committee)

Comment:

WRA supports the identification of the sectors from which Nominating Committee members are to be chosen. Further we support making the representative from the Advisory Body of State Regulators a voting member while leaving the representative from the PIO/Consumer Advocate Sector nonvoting. This appears to be appropriate given that the PIO/Consumer Advocate representative would be the only industry sector member of the Nominating Committee chosen from the region at large while all other voting members of the Nominating Committee would be drawn from sectors directly participating in or affected by the EIM.

Process for Selecting Nominating Committee Members

The Final Proposal leaves the details of how Nominating Committee members are to be selected to the stakeholder sectors from which they are drawn through a process “controlled by members of that sector.”

We believe providing greater structure and a consistent process across sectors would be beneficial resulting in a more efficient selection process that may make better use of participants’ time. The development of this structure could be developed by the TC or could be punted to the Regional Advisory Committee to be developed.

In addition to providing greater structure in the Nominating Committee selection process we believe it is important to avoid inefficient duplication of stakeholder involvement in multiple selection processes. Therefore we recommend the TC consider not only punting the issue to the Regional Advisory Body, but, in addition, consider aligning the selection of the Nominating Committee members (other than from the EIM Body itself) and the Advisory Body of State Regulators members with the selection of the Regional Advisory Committee, if the Regional Advisory Committee structure is modified as we suggest in Section 5 below.

We recognize that the TC does not want to displace the ISO existing stakeholder processes. WRA agrees, but believes modifying the Regional Advisory Committee structure as we suggest and then using this structure could streamline and strengthen these existing processes.

3. Scope of authority (including the proposed process for resolving disputes about which body has primary authority over a particular policy initiative)

Comment:

We agree with the Final Proposal.

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)

Comment:

We agree with the concept of an Advisory Body of State Regulators be comprised of members from the states in which the EIM operates. And we agree that this group should have financial support. However, we also believe it could be beneficial to conduct its meetings in conjunction with the Regional Advisory Committee and that the relationship between these two groups merits further consideration. Specifically, the members of the Advisory Body of State Regulators are the subset of the larger state and provincial interest stakeholder group with the EIM operating in their state. As the EIM grows, this subset of the larger group will grow. Conceivably, at some point the two could become quite similar in composition.

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)

Comment:

As stated above, we strongly support the concept of a Regional Advisory Committee. Entities and organizations across the western interconnection care deeply about the operation of the EIM and its potential costs and benefits to others. Providing a forum that allows for meaningful participation from the region meets an important regional need and could also be beneficial in garnering support for expanded operations.

However, we recommend modifying the representative sectors by removing “Neighboring Adjacent BAAs” and adding “State and Provincial Representatives.” This would have the benefit of aligning the EIM sectors with other regional organizations in the West including WECC and Peak Reliability.

Further, the category “Neighboring Adjacent BAAs” appears impractical since it could change rapidly as the EIM footprint changes. And, this separate category appears unnecessary since any neighboring BA could participate with the Regional Advisory Committee as either a transmission-owning utility or a publicly-owned utility.

Adding a stakeholder category for State and Provincial interests to meet the needs of state and provincial interests that are not yet in the EIM footprint appears to be a straight-forward, legitimate interest. The Advisory Body of State Regulators is in fact a subset of this larger group—a subset from the states in which the EIM operates.

The Final Proposal is silent regarding the size of the Committee and the electoral process. WRA strongly recommends that the Committee be comprised of no less than three members from each sector and that a consistent election/selection process be developed for all sectors. Three members would align with WECC's and Peak Reliability's Member Advisory Committees.

6. Commitment to re-evaluate governance

Comment:

Agree with leaving it to the EIM governing body.

7. Miscellaneous items.

Comment:

In conclusion, in anticipation of the CAISO becoming a regional organization, we recommend not only pursuing the addition of a Regional Advisory Committee, but modifying its structure to be consistent with the structure of the electric industry and membership in other regional organizations including WECC and Peak Reliability. These sectors then become the regional sectors from which the EIM-active subsets are drawn to participate in the Nominating Committee and Advisory Body of State Regulators.