



Memorandum

To: ISO Board of Governors
From: Rebecca Wagner, EIM Transitional Committee Chair
Date: May 8, 2015
Re: **Update on activities from the EIM Transitional Committee**

This memorandum does not require Board action.

COMMITTEE UPDATE

On March 30, the stakeholder working group of the committee held a stakeholder session to present the governance straw proposal. Fourteen stakeholders attended the meeting and 56 stakeholders attended via the web conference. The discussion and questions from stakeholders provided valuable feedback to the committee as they consider revisions to the next iteration of the governance proposal.

Following that meeting, 21 sets of comments were received from a broad range of stakeholders. The committee requested that comments be provided in categories, listed in a response template that included:

- Structure - composition of the Nominating Committee, composition of the EIM governing body, and process for selecting members.
- 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.
- 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.
- Committee of Regulators – composition, including the balance of representation between state commissions and public power, and role of the committee.
- Trigger for re-evaluating EIM governance
- Criteria for evaluating proposals – to revise and simplify the criteria for evaluating governance proposals, as reflected in the appendix.



On this call the committee discussed planning for the upcoming stakeholder comments and next steps for the development of the governance proposal.

The committee then met on April 30 at the ISO's Folsom, CA office. The committee summarized the stakeholder comments and discussed possible areas of further refinement and clarification. The committee received briefings from ISO Management on the 1st quarter 2015 benefits report, EIM operations and the implementation status with NV Energy and Puget Sound Energy.

The committee also received a briefing on the memorandum of understanding between the ISO and PacifiCorp from ISO Management. The committee discussed how the recent announcement might impact the work of the committee. As stated in the briefing, the ISO and PacifiCorp will be reviewing the possibilities of changing the overall governance structure of the ISO. While this will be important to consider as the committee's work develops, it was agreed that it was important for the committee to maintain the overall schedule and commitment under its charter to continue refining the governance proposal for EIM related matters. However, in order to develop a proposal that can adequately respond to stakeholder comments and address some of the key issues, the committee has revised the timeline for completion and posting of the revised governance proposal. A revised schedule will be posted to the ISO website.

NEXT STEPS

The next meeting is scheduled for June 25 in Reno, NV. The committee is developing the revised governance proposal and continuing to monitor EIM operational issues.

The committee members continue to provide education and outreach to various stakeholders through presentations and meetings. I look forward to continuing to provide the Board of Governors with updates and seek your feedback.