

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Energy Imbalance Market Draft Final Governance Proposal and Draft Charter posted on November 7. Submit comments to EIM@caiso.com. **Comments are due November 25, 2013 by 5:00pm**

Draft Final Governance Paper:

http://www.caiso.com/Documents/DraftFinalGovernanceProposal_EnergyImbalanceMarket.pdf

Draft Final Charter:

http://www.caiso.com/Documents/DraftFinalTransitionalCommitteeCharter_EnergyImbalanceMarket.pdf

Please provide your comments following each of the topics listed below:

- 1. Do you support the change in the schedule for the sector nomination and ranking process and for establishing membership of the Transitional Committee? Please explain the basis for your views.**

Comments:

Yes. PacifiCorp supports the revised schedule for the sector nomination and ranking process and for establishing membership of the Transitional Committee. The revised schedule helps assure that each sector has sufficient time to review the nominees and finalize rankings.

2. Do you support the clarification of the ranking process and the qualifications for the Transitional Committee membership? Please explain the basis for your views.

Comments:

Yes. PacifiCorp supports the clarification of the ranking process and qualifications for the Transitional Committee. The effectiveness of the Transitional Committee depends on the quality of its membership. The Transitional Committee membership will need to have a fundamental understanding of relevant issues and bring a wide range of experience from both within California and across the West to provide thoughtful recommendations to the ISO Board.

3. Do you have any comments on the draft final charter? Please explain.

Comments:

Yes. PacifiCorp generally supports the draft final charter. However, PacifiCorp recommends the following modifications to the charter and governance proposal. First, the draft final charter and governance proposal use inconsistent language regarding the Transitional Committee’s advisory role, referring to “pre-start up and early operational phase” and “pre-start up testing and early operational phase.” The language should be consistent throughout the documents. In addition, the term “pre-start up” is vague and undefined. Accordingly, PacifiCorp recommends that the term “final testing and early operational phase” be used throughout both documents to properly describe the advisory role of the Transitional Committee.

Second, PacifiCorp reiterates its comments regarding Section IV.B from prior versions of the draft Transitional Committee charter. The language in Section IV.B could be misinterpreted to foreclose certain long-term governance options from consideration by the Transitional Committee. Specifically, the first and fourth bullets in Section IV.B should be revised. The key concept in the first bullet is that the long-term EIM governance body consists of members that are independent from EIM market participants. The language in the first bullet referencing the ISO Board is unnecessary and could be interpreted to pre-determine a governance structure that is not fully independent of the ISO. The appearance of restrictions or limitations on the Transitional Committee’s consideration of long-term EIM governance options could limit participation by entities outside California. PacifiCorp recommends that the phrase “and, thus, enable the ISO Board to potentially delegate certain authority over EIM to this body” be deleted. Additionally, the fourth bullet of Section IV.B should be less

prescriptive. The fourth bullet would require that the EIM governance body include a mechanism to “resolve any disagreements” with the ISO Board. However, it may not be practicable to resolve all disagreements in all circumstances. Prompt corrective action may be required by either the EIM governance body or the ISO to resolve an immediate market issue or in response to a regulatory directive. Thus, the requirement that “any disagreements” be resolved before taking action is too prescriptive. Furthermore, depending on the circumstances, the Federal Energy Regulatory Commission may be the appropriate body to resolve a particular dispute. Accordingly, PacifiCorp recommends that the fourth bullet be revised to state, “If disagreements between the EIM governance body and the ISO Board arise, the EIM governance body and the ISO Board have a mechanism to discuss the relevant issues with the intent to resolve any disagreements prior to submitting a request for regulatory approval to the Federal Energy Regulatory Commission.”

4. Do you have any additional comments not covered above on the changes made in the draft final governance proposal?

Comments:

The draft final charter and the draft final governance proposal provide an appropriate balance for EIM governance, with the modifications identified above.