Stakeholder Comments Template

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PGE appreciates the thought and consideration the Transitional Committee has put into developing the Draft Final Proposal for the Long-Term Governance of the Energy Imbalance Market. PGE agrees that the Transitional Committee's work is "foundational to the question of whether the ISO will garner the requisite trust to become the market operator for a wider region." Because transparent governance is a prerequisite for broad-based trust in the ISO, PGE is disappointed that the Transitional Committee has dismissed a more autonomous governance model for the EIM, and failed to act on one of its own recommended triggers for re-evaluating CAISO governance.

Commitment to re-evaluate governance

As numerous commenters have pointed out, CAISO's governance structure is currently interwoven with California politics, and the CAISO is obligated to serve California interests. Given the acknowledged link between independent governance and broader regional trust, PGE is particularly disappointed that instead of supporting fundamental reform of the ISO's governance structure when PacifiCorp's April announcement satisfied one of the Transitional Committee's proposed triggers, the Committee instead modified its approach and is now recommending a review of governance "after 5 years.¹"

While PGE recognizes that the Transitional Committee must move forward with a proposal for <u>EIM</u> governance, this does not preclude a strong recommendation to undertake a more fundamental, comprehensive, transparent evaluation of CAISO governance.

Regional Advisory Committee

PGE strongly supports the development of a Regional Advisory Committee. The advent of the EIM has highlighted the challenges with seams and other issues that the ISO has experienced with the implementation of the 15-minute market, which impacts the operations of neighboring participating and non-participating balancing authorities. PGE hopes that this proposed Committee can provide a forum to resolve issues as they arise.

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¹ PGE recognizes that the Transitional Committee stated in the stakeholder meeting that it does not intend this 5-year timeline to be hard limitation and that increased participation in the EIM could push the EIM governing body to call for an earlier re-evaluation.