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**Subject: Draft Final Proposal – EIM GHG Enhancement**

The Public Generating Pool (PGP) appreciates the opportunity to provide comment on the EIM GHG Enhancement Draft Final Proposal (GHG Final Proposal). PGP represents ten consumer-owned utilities with a 6,000 MW utility owned asset based that is 96% carbon free. For this reason, the market rules around the treatment of GHG are important considerations for PGP relative to the EIM and potential regional expansion.

PGP appreciates the CAISO principles that were developed to guide the evaluation of options. A key principle to PGP is:

*“Resources located outside of California must be able to opt out of supporting EIM or regional transfers to serve California load that would be subject to Air Resource Board GHG regulations”*

The GHG Final Proposal will not allow load within the ISO to be served by EIM participating resources in the first pass unless the scheduling coordinator flags their bid submission to identify that the resource is contracted to serve ISO load. PGP believes it is important for resources located outside of California to be able to define what portion of a resource they are willing to have serve load in California and what portion they are not willing to have serve load in California and this solution provides for that. However, we find it essential that EIM participating resources that flag to serve ISO load in the first pass must be under contract with ISO load to meet Resource Adequacy or RPS requirements. Without that assurance, the two-pass solution may not fully address the underlying concern of resource shuffling in order to avoid carbon obligations.

In previous comments on this topic, PGP has expressed the importance of the treatment of carbon obligations and associated dispatch to be consistent across all markets; bilateral, day-ahead integrated market, and real-time integrated market. PGP finds the two-pass solution outlined in the GHG Final Proposal better aligns this treatment in the different markets.

PGP commends the efforts of the CAISO to find a solution that meets objectives and principles from a broad set of stakeholders.

**Public Generating Pool**

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