

January 26th, 2015

Stacey Crowley
Director, Regional Affairs
California ISO
250 Outcropping Way
Folsom, CA 95630

RE: Conceptual Models for Governing the EIM

Dear Ms. Crowley,

Renewable Northwest appreciates the opportunity to provide comments on the *Conceptual Models for Governing the Energy Imbalance Market* document issued by the CAISO EIM Transitional Committee on January 5th, 2015. Renewable Northwest is a non-profit advocacy group promoting the responsible development of renewable energy resources in the Northwest. As such, we have followed the creation of CAISO/PacifiCorp EIM with great interest and very much appreciate the good work of the EIM Transitional Committee.

Renewable Northwest believes that the Transitional Committee has identified the appropriate criteria for evaluating the different EIM governance options. From our perspective here in the Northwest, we are particularly pleased to see the criteria listed on page six of the document under “Confidence in Governance to Facilitate Possible Expansion.” We share the Committee’s interest in seeing the benefits of the EIM expand across the West and believe that the independence of the EIM governance structure is a key consideration for many potential participants.

With that perspective, Renewable Northwest believes that the second and third governance model options are headed in a positive direction and have a good chance of facilitating the expansion of the EIM. As the Committee develops the straw proposal, we would like to see a little more detail about both of these options and the consideration of an option that could capture the best elements of both: the simplicity and cost savings of option two, and the independence of option three.

Specifically, under option two, we would like to see more details about which responsibilities and authorities would be delegated to the EIM board. Under such a structure, would the CAISO Board have veto power over any of the EIM board decisions, and if so, which ones? In general, how would any conflicting decisions between these two boards be handled?

Under the third option, we would like to see more detail about which components of operating an EIM (staff, facilities, etc.) would have to be

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Environment Washington
Eurus Energy America
FirstWind
GE Energy
Geothermal
Resources Council
Green Mountain Energy
HDR Engineering, Inc.
Iberdrola Renewables
Idaho Conservation League
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Natural Resources
Defense Council
NextEra Energy Resources
Northwest Environmental
Business Council
Northwest SEED
NW Energy Coalition
OneEnergy Renewables
Oregon Solar Energy
Industries Association
Orion Renewable Energy
Group LLC
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Oregon Tech
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Vestas Americas
Warm Springs Power &
Water Enterprises
Washington Environmental Council
WashPIRG
Western Resource Advocates

duplicated, and a cost estimate for doing so. How much effort and cost would it take to disaggregate the ISO and EIM rules? Would it be possible for the EIM board to be autonomous, having the necessary staff and authority to manage its own tariff, while still contracting with the ISO for the majority of the EIM operations and maintaining market rules that are largely consistent with the ISO structure? If so, would FERC be the ultimate arbitrator of any differences that arose between the ISO and EIM tariffs?

In summary, we very much support the CAISO/PacifiCorp EIM and look forward to learning more about the potential future governance structures for this important new market.

Sincerely,

/s/

Cameron Yourkowski
Senior Policy Manger