

## 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 Revised Governance Proposal and Draft Charter posted on October 4. Submit comments to [EIM@caiso.com](mailto:EIM@caiso.com). **Comments are due October 25, 2013 by 5:00pm**

Revised Governance Paper:

<http://www.caiso.com/Documents/RevisedGovernanceProposal-WhitePaper-EnergyImbalanceMarket.pdf>

Draft Charter:

<http://www.caiso.com/Documents/TransitionalCommitteeDraftCharter-EnergyImbalanceMarket.pdf>

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

- 1. Do you support the sector definitions and the nomination and ranking process for the Transitional Committee? Please explain the basis for your views.**

Comments:

In its Revised Governance Proposal, the CAISO has increased the seats on the Transitional Committee (TC) from 7 to 9, however, the CAISO also clarified that while it will have the sectors nominate and rank TC candidates, there is no guarantee that each sector will be represented. The TC will be determined based on ranking, not sector. While some, including SMUD, advocated for more sector representation on the TC (specifically, 14 members with 2 representatives from each of the 7 sectors), SMUD's position was premised on a view that each sector should be represented and that most of the sectors were too diverse for a single representative. Moreover, 2 representatives from each sector provides the ability to share responsibilities, including meeting coverage and work product. Given that there is no requirement to have sector representation, merely adding numbers doesn't necessarily improve the process.

October 9, 2013

**2. Do you support the roles identified for the Transitional Committee and the decision-making processes for the committee outlined in the revised governance proposal and draft charter? Please explain the basis for your views.**

Comments:

- A. Two of the roles identified for the TC are to provide advice on all EIM market design initiatives and matters pertaining to the setting of any transmission access charge (Revised Governance Proposal, p. 15). While SMUD supports the TC's involvement in these areas, the proposal appears to conflate its role by not coinciding with the EIM timeline over the next two-plus years. The TC is slated to begin operation in March/April 2014; however, by this time, the market design will be approved by the CAISO Board and the tariff changes submitted to FERC for approval. SMUD recognizes that implementation of the design elements will have the benefit of TC's involvement and the Business Practices Manual will need updating, but for the most part, the design elements will be set in stone. Regarding the transmission access charge, the TC is proposed to operate until March/April 2016; however, development of any transmission access charge will take place during the second year of the EIM (Fall 2015 - Fall 2016). Accordingly, the TC's role is limited to just the initial phase of development.
- B. As to the additional role of the TC in developing a long-term governance structure, given the importance of governance with respect to the overall stability and credibility of the CAISO EIM, the EIM Transitional Committee Charter should be more specific with respect to its description of the associated stakeholder process. Specifically, Section IV.B should be amended to include the following statement from Section 4.2.2 of the Revised Governance Proposal:

To ensure that the long-term governance proposal reflects the input of all potentially interested parties, the TC will be required to develop its proposal through an open stakeholder review and input process similar to the stakeholder initiative process currently used by CAISO staff in developing proposals for the Board. Specifically, the TC will be required to publish a series of draft proposals for stakeholder comment on an iterative basis, culminating in a final proposal for submission to the CAISO Board. The TC will also collect and consider written comments from interested stakeholders and will convene stakeholder meetings or teleconferences, as appropriate, to discuss and receive further input on iterations of the proposal.

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

Comments:

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

Comments: