1. Please provide your organization’s overall position on the EIM Governance Review Straw Proposal – Delegation of Authority Issues:

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the Energy Imbalance Market (EIM) Governance Review straw proposal. While the current EIM governance structure generally works well, CalCCA welcomes the collaborative discussion aimed at improving the operability of the EIM Governing Body. This straw proposal offers significant improvements to the previous version of the proposal by removing the proposed “dual” FERC filings by the CAISO Board of Governors and the EIM Governing Body if a mutual decision could not be reached on a proposal. However, the revised dispute resolution proposal requires a process to timely move forward proposals when the two bodies are at an impasse on urgently needed changes to maintain reliability.

The straw proposal outlines a dispute resolution process in which CAISO staff would be required to conduct subsequent rounds of the stakeholder process to develop a revised proposal both the CAISO Board of Governors and the EIM Governing Body could approve. If the two bodies still do not agree after multiple rounds of revisions, they could jointly decide how to move forward, either by abandoning the proposal all together or through some other means. Following this process, if the two bodies cannot agree on a next step and the CAISO Board of Governors determines exigent circumstances exist, the board could move forward with a FERC filing when the change is needed for reliability or market integrity purposes.

This process will significantly draw out the stakeholder process when consensus cannot be reached and is too lengthy to effectuate policies needed urgently to maintain reliability. After the events of summer 2020, the CAISO commenced the Market Enhancements for Summer 2021 initiative, an expedited process that proposed important changes need to maintain reliability in California this summer. Had that initiative been under joint authority and resulted in a dispute, there would not have been time to follow the process outlined in the straw proposal to either reach consensus or determine the CAISO Board of Governors can move forward with a FERC filing on their own.

The ability for the CAISO Board of Governors to authorize FERC filings without joint approval from the EIM Governing Body is crucial when changes are urgently needed for reliability, and the process for determining if a FERC filing can be made without joint approval should not be too long such that it jeopardizes the implementation of these important changes. For these emergency situations, CalCCA recommends the proposal be updated to allow the CAISO Board of Governors to authorize a FERC filing without joint approval from the EIM Governing Body without reinitiating the stakeholder process.

CalCCA understands the governance review committee is waiting for the extended day-ahead market proposal to develop before proposing a governance structure for the extended day-ahead market. CalCCA highlights that the question of governance over a voluntary day-ahead market is an important consideration that will require extensive discussion, given the scope of tariff applicability under an extended day-ahead market is much larger than that of the real-time only energy imbalance market.

2. Provide a summary of your organization’s comments on this proposal and how it meets your interests related to delegation of authority for the EIM:

See response to #1
3. Provide detailed comments on the scope of joint authority proposal:

See response to #1

4. Provide detailed comments on the dispute resolution and deadlocks proposal:

See response to #1

5. Provide additional comments on the Straw Proposal or what the GRC should consider in the delegation of authority for the EIM:

See response to #1