

**COMMENTS OF IDAHO POWER COMPANY
ON CAISO'S EIM GOVERNANCE REVIEW ISSUE PAPER
AND STRAW PROPOSAL**

| Submitted By | Company | Date Submitted |
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Idaho Power Company (“Idaho Power” or “Company”) appreciates the opportunity to comment on the California Independent System Operator’s (“CAISO”) *EIM Governance Review Issue Paper and Straw Proposal* dated December 14, 2018. Idaho Power appreciates CAISO’s and the Energy Imbalance Market (“EIM”) Governing Body’s consideration of changes to the EIM governance structure and appreciates the opportunity to comment.

Idaho Power supports and joins in the Comments of the EIM Entities on the issue paper and straw proposal. In particular, the Company supports the proposed decisional classification change for issues primarily driven by EIM. In addition to those joint comments, Idaho Power also provides the following comments.

Idaho Power supports a broader review of EIM governance issues now. Idaho Power recognizes that governance will be an important area of discussion if CAISO and EIM participants extend the day-ahead market to EIM participants. Today’s EIM governance structure is unlikely to be well received in an extended day-ahead market paradigm. That said, the timing and other aspects of an extended day-ahead market initiative are uncertain. In light of the uncertainty, EIM governance refinements should be

considered now and, if appropriate, implemented without waiting for an extended day-ahead market initiative to begin.

In particular, Idaho Power suggests an additional change to the EIM Governing Body's delegation of authority and the decisional classification process. Specifically, the EIM Governing Body should have full approval (that is, "primary" authority) over any proposed market rule or change that impacts the real-time energy market. Changes to generally applicable real-time energy market rules, whether driven by EIM balancing authority areas or not, impact EIM participants as well as entities within CAISO. Such changes should be subject to the full review and approval of both the EIM Governing Body and the CAISO Board of Governors. This change would better ensure that interests of all participants—those within CAISO and those in EIM balancing authority areas—are considered and represented in the decision-making process.

With respect to the Body of State Regulators ("BOSR"), Idaho Power supports the Comments of the EIM Entities; in addition, the representatives serving the interests of public power entities on the BOSR should be limited to representatives serving the interests of the customers of public power entities that have executed an agreement to participate in the EIM.

Regarding the Charter and Guidance Document, Idaho Power supports adding a requirement to the Guidance Document that any changes to that document be presented to the EIM Governing Body for its input. This would ensure consistency with the Charter, which already includes such a requirement. However, any changes to the Charter and Guidance Document should be approved—not just reviewed on an advisory basis— by the EIM Governing Body. This is consistent with Idaho Power's suggestion above

regarding the delegations of authority. Idaho Power also supports the requirement that changes to the documents be approved by a simple majority of the Board and Governing Body.

With respect to the terms of EIM Governing Body members, the straw proposal asks whether there should be a “holdover period” where an outgoing member whose term is expiring may stay on the Governing Body for a period of time (such as 60 days) if a new member has not yet been selected, to minimize vacancies. Idaho Power supports this proposal and believes it should be further considered.

At this time, Idaho Power does not recommend changes to the timing or frequency of EIM Governing Body meetings; the current paradigm seems effective.

Idaho Power thanks CAISO for the opportunity to comment and looks forward to continued collaboration on these and other issues.