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Additional submitted attachment is included below.

**COMMENTS OF THE WYOMING INDUSTRIAL ENERGY CONSUMERS AND
UTAH ASSOCIATION OF ENERGY USERS ON THE
JUNE 9, 2016 PROPOSED PRINCIPLES FOR GOVERNANCE OF A REGIONAL ISO**

The Wyoming Industrial Energy Consumers (“WIEC”) and Utah Association Of Energy Users (“UAE”) respectfully provide these comments in response to the June 9, 2016 Proposed Principles for Governance of a Regional ISO (“Proposed Principles”), which were filed by the California ISO in California Energy Commission Docket No. 16-RGO-01.

WIEC is an unincorporated, non-profit association whose members are large electric consumers that operate facilities within the service territory of Rocky Mountain Power, from whom they purchase electricity and energy services. WIEC members, collectively, represent approximately half of Rocky Mountain Power’s Wyoming load. WIEC has participated in various ISO meetings and processes regarding possible regional integration and has submitted comments. However, WIEC is not yet persuaded that if PacifiCorp were to become a Participating Transmission Owner in the Regional ISO it would be beneficial to, or in the public interest of, PacifiCorp’s ratepayers.

UAE, whose members include industrial, commercial and other entities operating in Utah, has also participated in various ISO meetings and processes regarding possible regional integration and has submitted comments. UAE, like WIEC, is not yet persuaded that if PacifiCorp were to become a Participating Transmission Owner in the Regional ISO it would be beneficial to, or in the public interest of, PacifiCorp’s Utah ratepayers.

Both WIEC and UAE are very concerned about the speed with which a new governance structure for the Regional ISO is being considered and pushed forward. Throughout this process, many interested parties repeatedly have stated that the governance structure of the new Regional ISO is perhaps the most important issue to be resolved. And yet, the new governance structure is on the shortest timeline for resolution. Interested parties did not see the CAISO’s Proposed Principles until June 9th. As the title of the document suggests, the CAISO’s Proposed Principles are mere principles, and not an actual governance proposal. The actual Governance Proposal for a new governance structure is not anticipated until July 19th. The Governance Proposal is anticipated to be submitted to Governor Brown on August 1st. This timeline is too aggressive and does not allow for the Governance Proposal, when it comes out, to be properly vetted by interested parties. WIEC and UAE urge the California Energy Commission to push back the proposed deadlines to allow for the eventual Governance Proposal to be thoroughly vetted by interested parties.

Additionally, the CAISO’s Proposed Principles elevates the interests of California to such a level that California is granted majority power at every board and committee, at every step of the process, for all decisions. No one state should have the ability to force their decisions on the remainder, either through an affirmative vote over other states, or through the ability to withhold a required affirmative vote. Rather, each state must be afforded comparable influence in the Regional ISO governance. WIEC and UAE support a voting structure for the Body of State Regulators that allows an individual state to veto a policy driven project that imposes costs on a state that does not support the policy initiative. Such a “defensive veto” right, in contrast to the

majority authority granted to California in the Proposed Principles, would preserve individual state sovereignty.

Furthermore, the CAISO's Proposed Principles focus primarily on governance structure, but pay little attention to governance scope of authority, particularly with respect to the Transitional Committee, the Initial Board and the Regional ISO Board. The scope of authority of the various governing entities discussed throughout the CAISO's Proposed Principles should be clearly laid out for interested parties to examine and provide comment.

In addition to the foregoing general comments on the CAISO's Proposed Principles, WIEC and UAE offer the following comments on the specific components of the Proposed Principles.

1. Preservation of State Authority

WIEC and UAE support the CAISO's Proposed Principle that the Regional ISO's "new governance structure will include binding provisions to protect and preserve state authority over matters currently regulated by the states themselves, including procurement policy, resource planning and CPCN approvals for utilities within their jurisdiction, and resource or transmission siting within their state." However, WIEC and UAE believe this concept should apply not only to matters currently regulated by the states, but also to matters regulated by the states in the future.

2. Greenhouse Gas Accounting

It is unclear what the relationship is between greenhouse gas accounting and Regional ISO governance. This is an issue that seems more appropriate for review under a CAISO issue paper and straw proposal proceeding.

To the extent that this Proposed Principle enables California to impose its policies or policy driven projects on non-California states, WIEC and UAE oppose this Proposed Principle. One of the key aspects of the development of a Regional ISO is that individual states are able to maintain their sovereignty with respect their own policies.

3. Transmission Owner Withdrawal

WIEC and UAE support the right of a participating transmission owner to withdraw from the Regional ISO either voluntarily or in light of an order from their state regulator. However, this Proposed Principle lacks detail on necessary components of the right to withdraw, including whether any exit fees would be imposed. WIEC and UAE recommend that the Governance Proposal include additional detail on the steps to and requirements for withdrawal.

4. Transitional Committee of Stakeholders

WIEC and UAE do not support a Transitional Committee that is appointed solely by the CAISO Board. Nor do WIEC and UAE support a procedure in which such a Transitional Committee submits a proposal solely to the CAISO Board. Though the CAISO Board is directed to appoint a Transitional Committee "comprised of a representative cross section of stakeholders

and state regulators throughout the region,” the CAISO is not best positioned to make these appointments on behalf of non-California interests. The non-California states should have the right to appoint representatives of their own choosing. Under the proposed construct, California representatives of the Transitional Committee would be appointed by California interests, but non-California representatives would not be appointed by their own interests. The CAISO Board consists solely of politically appointed members from California who are unlikely to be familiar with interests outside their state. This Proposed Principle is unbalanced, unfair, and inappropriate.

5. Initial Board and Transition Period

WIEC and UAE do not support an Initial Board that guarantees non-California states a minority vote at all times, as this CAISO Proposed Principle does. Under the CAISO Proposed Principles, the Initial Board is to be comprised of “the five current members of the ISO board and four new members selected by the other states within the expanded regional footprint through a process endorsed by those states,” but also requires that board member terms “are staggered in such a way that the California-appointed members will constitute a majority of the state-selected members for the transition period.” Guaranteeing non-California states a minority position on the Initial Board is, again, unbalanced, unfair, and inappropriate.

Further, this voting construct is improper because the five non-California states are allowed only four votes total, which necessarily disenfranchises at least one state and provides no guarantee that all non-California states will have a vote. If any other non-California states join the Regional ISO in the future, that new Regional ISO member would not be represented under this construct.

6. Composition of Regional ISO Board

WIEC and UAE believe that this portion of the CAISO Proposed Principles requires additional detail before WIEC and UAE can support it. It is unclear whether the nine members of the Regional ISO Board are required to be comprised of five California members and four non-California members, as is required of the Initial Board. It is similarly unclear whether the Regional ISO Board will guarantee California a majority vote at all times. If either of these is the case, WIEC and UAE do not support such a Regional ISO Board, for the reasons stated in response to the CAISO Proposed Principles on the Initial Board.

WIEC and UAE do support a process that includes stakeholder input on board candidates, but this CAISO Proposed Principle requires greater detail on the nature of and degree to which stakeholders and states have a role in the nomination or approval process.

7. Establishment of a Body of State Regulators

This CAISO Proposed Principle states that the “body will have a voting rule for approval of policies within its primary authority that, at minimum, will require an affirmative vote of a majority of the members of the body, as well as members representing at least a majority of load in the regional footprint.” The CAISO’s load is approximately four times the size of PacifiCorp’s entire load. WIEC and UAE do not support a Body of State Regulators that gives California veto

authority over any vote. This is particularly true where the Body of State Regulators “will have primary authority over regional ISO policy initiatives on topics within the general subject areas of transmission cost allocation and aspects of resource adequacy.”

Instead of granting California veto authority over “policy initiatives,” it is more appropriate to grant individual states veto authority over “policy initiatives” that are not supported by an individual state, but nonetheless would impose costs on that state. Such a construct would prevent one state (or group of states) from imposing costs relating to policy projects on a state that does not support the policy initiative.

8. Stakeholder Processes and Stakeholder Participation

WIEC and UAE are supportive of efforts to “facilitate broad and robust stakeholder participation.” WIEC and UAE would support a formal stakeholder committee that represents large consumer interests.