



May 8, 2024

To: West-Wide Governance Pathways Initiative Launch Committee

As representatives from a broad and diverse coalition of stakeholders that are impacted by or interested in California's energy future, we write to express our support for the straw proposal you released for stakeholder comment on April 10.

We commend the Launch Committee for the collaborative process, creativity, and sustained momentum that this proposal represents. The proposal contains an innovative solution to a unique barrier to regional electricity market development in the West, which involves the critical separation of balancing authority functions from market functions within the California Independent System Operator (CAISO).

By keeping CAISO intact and preserving its balancing authority responsibilities, this proposal can ensure the continuation of services that are specific to California while also enabling greater regional market integration under a new organization with an independent governance structure. This new organization will ultimately be able to oversee a full suite of market functions, maximizing the efficiency and cost-effectiveness of the markets for all participants, allowing every state to maintain its own policy interests, and ensuring that California as well as other Western states can leverage a larger, more integrated market footprint for everyone's benefit.

We also applaud the Launch Committee for continuing to provide a flexible pathway to additional market services, up to and including a full regional transmission organization (RTO) in

the West. The benefits of a real-time and day-ahead market are strong, but they will be even stronger with additional coordination and resource sharing across a broad geographic area.

As has been demonstrated in [multiple studies](#), the increased efficiencies that would come with a West-wide RTO would exert downward pressure on electric rates, create jobs, support additional economic development, and create a more resilient and reliable energy system that is capable of integrating new resources at the scale and pace necessary to meet our clean energy goals.

We thank you for the hard work and focus you are bringing to the Pathways discussions and for your commitment to a more affordable, reliable, and sustainable energy landscape for California and the region.

Sincerely,

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