



Western Energy Imbalance Market
Body of State Regulators



Western Interstate
Energy Board

**Memorandum of Understanding
Between the
Western Interstate Energy Board
and the
Western Energy Imbalance Market – Body of State Regulators**

This Memorandum of Understanding (MOU) is entered into as of August 12, 2019, by and between the Western Interstate Energy Board (WIEB) and the Western Energy Imbalance Market-Body of State Regulators (EIM-BOSR), also referred to hereinafter as “Parties.”

The purpose of this MOU is to set forth the terms and understanding between the Parties for WIEB to provide the technical expertise, staff resources, and office space necessary to support the ongoing efforts of the EIM-BOSR.

Preamble

- A. WHEREAS, WIEB works with regulators and policymakers from the western U.S. states and Canadian provinces to enhance the economy of the West and contribute to the well-being of the region’s people by providing the tools and framework necessary to support cooperative state and provincial efforts in the energy field; and
- B. WHEREAS, the EIM-BOSR operates as an independent, self-governing organization of designated state public utility commissioners that work to understand and to inform state regulatory officials about the Western EIM, the EIM Governing Body, and related California Independent System Operator (CAISO) developments; to assist in seating EIM Governing Body members; and to provide advice and input to the EIM Governing Body and other regulatory bodies; and
- C. WHEREAS, the parties to this MOU recognize that the development and expansion of wholesale electricity markets and related coordination efforts in the West are issues of great importance to state utility regulators and issues that will significantly impact the economy of the West and the well-being of the Region’s people; and
- D. WHEREAS, wholesale electricity markets continue to rapidly develop and expand in the West; by 2021, the Western EIM is expected to include U.S. and Canadian market participants that will serve approximately 68% of the net electric load in the Western

Interconnection and geographically span ten of the eleven Western Interconnection states; and EIM Entities are currently considering expanding the EIM to include day-ahead market services; and

- E. WHEREAS, the Parties recognize that the geographic footprints of WIEB and the Western EIM are not identical and market operators other than the CAISO continue to explore the possibility of offering market products, services, and related coordination efforts within the Western Interconnection; and
- F. WHEREAS, the Parties recognize and agree that this MOU does not preclude WIEB from providing similar services to support the efforts of any state or provincial advisory body in the Western Interconnection exploring the development or expansion of wholesale electricity markets; and
- G. WHEREAS, the parties to this MOU desire to enter an understanding by which WIEB will provide the technical expertise, staff resources, and office space necessary to support the ongoing efforts of the EIM-BOSR, hereby, agree to the following provisions.

Provisions

I. Relationships between Organizations.

WIEB, as an interstate compact agency and not for profit instrumentality of the Western states, will provide services to the EIM-BOSR as set forth in this MOU. WIEB and the EIM-BOSR may consult one another, but will otherwise operate independently, maintaining separate decision-making authority and budgets.

II. Management.

- A. The WIEB Executive Director will manage the staff providing support to the EIM-BOSR, will consult the EIM-BOSR on staffing requirements and performance evaluation, and will have decision-making authority with respect to the allocation of staff and office resources.
- B. The WIEB Executive Committee shall consult with the EIM-BOSR Chair during its annual performance review of the WIEB Executive Director.
- C. The EIM-BOSR Chair and Vice-chair will work closely with the WIEB Executive Director to:
 - 1. Provide strategic direction for the EIM-BOSR;
 - 2. Develop the annual budget for the EIM-BOSR;

3. Evaluate the annual performance of the WIEB employees who staff the EIM-BOSR; and
4. Represent the EIM-BOSR on the Western Energy Leadership Team; a team that includes the WIEB Chair and Vice-chair, the EIM-BOSR Chair and Vice-chair, the Western Interconnection Regional Advisory Body Chair and Vice-chair, and Co-chairs of the Committee on Regional Electric Power Cooperation. The Western Energy Leadership Team works to coordinate the efforts of these organizations and travels biannually to Washington, D.C. to meet with Federal Energy Regulatory Commission Commissioners and U.S. Department of Energy Leaders.

III. Funding.

- A. This MOU is contingent upon securing a source of funding to support EIM-BOSR activities. It is the intention of the EIM-BOSR to have its funding provided to WIEB by retail electricity consumers of the Western EIM entities, recovered via the CAISO EIM tariff. The funding relationship between WIEB and the EIM entities/CAISO will be negotiated in a separate agreement.
- B. Funding provided to support EIM-BOSR activities will be used for WIEB staff salaries and benefits, overhead, meeting costs (e.g., room rental, audio-visual support, and webinar service), WIEB staff travel, BOSR member travel, travel for public utility commission staff, and other activities, as needed.
- C. If EIM-BOSR budgetary expenses fall below the amount of funding provided in any given budget year, surplus funding will be used to reduce the funding requirement for the subsequent budget year.

IV. Budget and Planning.

- A. Each year, the WIEB Executive Director will provide the EIM-BOSR with a final copy of WIEB's Annual Financial Audit, which is conducted by an independent auditing firm.
- B. WIEB will use accounting codes to separately track expenses and revenues associated with the EIM-BOSR and the WIEB Executive Director will provide periodic spending reports to the EIM-BOSR Chair and Vice-Chair.
- C. In a timely manner, the WIEB Executive Director will prepare and present the EIM-BOSR with an annual budget to review, approve, and submit to the CAISO for approval.

V. Staff Support and Responsibilities.

On an ongoing basis, WIEB will provide the technical expertise, staff resources and office space necessary to assist the EIM-BOSR in its efforts to achieve and maintain a better understanding of the Western EIM; to draft comments and provide advice on market design and policy to the EIM

Governing Body, the California ISO Board of Governors, the Federal Energy Regulatory Commission and other key organizations. This on-going support includes, but is not limited to, the following:

- A. At least twice each year, coordinate meeting space and facilitate in-person collaborations between members of the EIM-BOSR and other Western state utility regulators and policymakers;
- B. Organize and coordinate additional meetings, in-person or via conference call, on an as-needed basis;
- C. Develop draft agendas and recruit speakers for EIM-BOSR meetings;
- D. Identify topics and develop educational material for EIM-BOSR members and their staff;
- E. Monitor and analyze market activities and policy developments related to the Western EIM;
- F. Perform issue analyses and develop draft “common positions” for consideration by the EIM BOSR;
- G. Facilitate meetings between the EIM-BOSR and the CAISO Department of Market Monitoring and the CAISO Market Surveillance Committee;
- H. Maintain a webpage dedicated exclusively to the EIM-BOSR;
- I. Prepare an annual budget and other financial and planning documents as described in this MOU and future governance documents;
- J. Administer travel reimbursements for the EIM-BOSR, public utility commission staff, and other qualifying third parties; and
- K. Conduct other activities necessary to support the EIM-BOSR.

VI. Effective Date, Modifications and Termination.

This MOU shall become effective upon execution of both Parties. It will remain in effect until terminated by either party. Notice of intent to terminate shall be in writing and shall be submitted to the non-terminating party at least one year in advance of the actual termination date. Modifications to this MOU can only be made, in writing, by mutual consent of both Parties.



Dr. Laura Nelson
Chair, Western Interstate Energy Board



John Chatburn
Vice-Chair, Western Interstate Energy Board



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