EIM Body of State Regulators
Monthly Update

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Teleconference
August 14, 2020
Agenda

• EIM GRC Draft Straw Proposal
• BOSR Funding
• Public Power Liaisons to the BOSR
• Other Issues
• Next Steps
• Announcements
EIM GRC Draft Straw Proposal

Purpose of Governance Review: Adjust EIM governance as necessary to account for significant growth of EIM and to facilitate possible further expansion through EDAM

• GRC issued scoping paper soliciting proposals for key issues; BOSR and others submitted comments (February 2020).

• Based on comments, GRC developed recommendations for potential improvements to governance structure: Draft Straw Proposal (July 31)

• GRC will use comments to Straw Proposal to refine recommendations.

• Expect at least two rounds of refinements before submitting recommendations to the EIM Governing Body and CAISO Board (Q1 2021).
BOSR Comments

• GRC requests comments by Friday, August 28
• Staff sent BOSR Preliminary Draft Comments on August 13
• Today discuss key issues
• Work through remaining issues via email and comments to the BOSR’s draft comment document
BOSR Funding
GRC Proposal

- The GRC supports an appropriate mechanism through which the BOSR could obtain the funding necessary for enhanced participation.
- An appropriate funding source would be the state commission jurisdictional utilities that participate in EIM or EDAM (equity issue).
- Asks stakeholders for proposals on specific mechanisms.
- Encourages ongoing efforts by utilities subject to the jurisdiction of their state commissions engaging directly with the BOSR to explore alternative sources of funding.
#1 Funding Mechanism

- The BOSR funding should be allocated among all state jurisdictional utilities participating in the EIM, this includes California IOUs.

- The allocation between these participants should be equitable and rational.
  - Allocate the funding equally among all participating IOUs. Each IOU’s allocation would be equal to: the total annual budget / number of EIM IOUs. (Favored by some of the EEs.)
  - Allocate the funding proportional to load or some other factor.
  - Other
BOSR Funding
BOSR Comments

#1 Funding Mechanism

• Options for collecting the funding
  o A component of the grid management charge (GMC) charged to specific entities
  o An agreement outside of the CAISO tariff directly with IOUs
  o Other proposals
#2 Funding level

- Sustained funding at a consistent level
- WIEB providing staff support
  - under $500,000
  - based on 2 FTEs
- Budget growth will be limited 3% per year
  - may be revisited if EDAM is implemented
#3 Organizational structure and staffing choice

- Solely the BOSR’s decision.
- The BOSR considered multiple options: WIEB, PUC staffing, CAISO staffing, forming new entity.

- Guiding principles
  - competence
  - cost effectiveness
  - preservation of independence
  - Minimum requirement: legally enabled to accept and contract for funds

- BOSR welcomes comments through GRC stakeholder process
Public Power Liaisons to BOSR
GRC Recommendation

• Ask BOSR* to establish a limited number of liaison positions for public marketing administrations (PMAs) and publicly owned utilities (POUs) who participate in the EIM.

• Liaisons would:
  o Participate in BOSR meetings and provide the BOSR membership with a PMA/consumer-owned utility perspective.
  o Not vote on any positions that may be taken by the BOSR

*The BOSR would need to amend the BOSR Charter to implement this proposal.
Public Power Liaisons to BOSR
BOSR Comments

#1 There will be up to two liaisons to the BOSR representing the Public Power sector. Public Power used here means public marketing administrations and publicly owned utilities.

• Each liaison will be from an entity participating in the Western EIM.
• One liaison shall be from a public marketing administration.
• One liaison shall be from a publicly owned utility.

Discussion
• Number of liaisons
• “From an EE” is not inclusive of someone who represents an association.
• Specify liaison’s level at organization or who in organization appoints the liaison
#2 The liaison is a non-voting position.

- The liaisons will participate in BOSR meetings and provide the BOSR membership with public power perspective.
- The liaisons will not vote on any positions that may be taken by the BOSR or represent the BOSR on other bodies.

Discussion: Will liaisons take part in executive sessions?

#3 Each liaison will be selected through an open, fair, inclusive, and transparent process
<table>
<thead>
<tr>
<th>BOSR Recommendation</th>
<th>GRC Proposal</th>
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<tbody>
<tr>
<td>Shared authority between CAISO Board &amp; EIM Governing Body and over a larger set of market rules</td>
<td>Yes; both bodies will jointly approve all real-time market design issues</td>
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<tr>
<td>Increased authority if EDAM is implemented</td>
<td>Yes; same as above over all day-ahead market design issues (except those specific to CA such as transmission planning)</td>
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<td>Less complex process</td>
<td>Yes; no longer designate proposed market changes into categories or use different paths for approval</td>
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<td>Voting status to PIO/CA representative on Nominating Committee</td>
<td>Yes.</td>
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<td>Support stakeholder advisory committee</td>
<td>Yes; remove limitations on RIF</td>
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<td>Technical support for Governing Body</td>
<td>Yes; if EDAM goes forward Governing Body may contract with outside expert</td>
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Next Steps

• Comments due Friday, August 28, 2020
• Next GRC Meeting Tuesday, Sept. 15
• Make changes to draft based on today’s meeting
• Send revised comment document to BOSR for review Aug. 19
• Work through comments via email Aug. 19-27
• Final version submitted to GRC Aug. 28
Upcoming BOSR Meetings

BOSR Monthly Update Teleconference

Second Friday of Every Month at 10:00 AM MT / 9:00 AM PT

Next Meeting: September 11, 2020 at 10:00 AM MT / 9:00 AM PT

Fall 2020 EIM-BOSR Meeting

October 26, 2020, 9:30 AM MT / 8:30- AM PT

Webinar only
Information or Questions

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