



PacifiCorp would like to thank the West-Wide Governance Pathways Initiative (Pathways) Launch Committee (LC) for their continued efforts and meaningful progress to turn state regulators' vision for lasting governance changes in the West into reality.

PacifiCorp is a signatory to a set of joint comments providing strong support for Step 1 and general support for the LC continuing to refine the proposal for Step 2. PacifiCorp is strongly supportive of Step 1 as the company believes it is a positive and meaningful improvement on a longer path to fully independent governance. We are supportive of this Step 1 as proposed and are hopeful that the CAISO's stakeholder process will allow the region to swiftly move regional market governance from joint to primary authority as soon as the final trigger criteria are met, potentially even before EDAM go-live in the Spring of 2026.

PacifiCorp would like to offer the following additional considerations and concerns regarding Step 2.

- PacifiCorp supports the goal of Step 2 to establish sole authority over the EDAM and WEIM to an independent governing body as well as the LC's continued work on further refining and evaluating the many technical, operational, financial, and policy implications inherent in crafting a final and workable proposal. While the LC and its stakeholders have done a lot of work identifying multiple options and approaches to achieving said goal, PacifiCorp urges the LC to continue leveraging its evaluation criteria along with a sense of practicality and sensibility in evaluating options for Step 2. While the LC has chosen not to develop weights for the evaluation criteria, PacifiCorp contends that in the face of increasing customer costs, effectively navigating the tradeoff between the degree of independence and cost is one of the key tasks at hand. To that end, PacifiCorp encourages the LC to consider launching a workstream aimed at developing cost estimates, even if only indicative ones, associated with each option so that the LC and stakeholders can make informed decisions regarding what the region can support and afford on its path to full market independence.
- The LC's legal analysis showed that achieving sole authority over market rules requires legislative changes regardless of the path taken. In light of that, PacifiCorp urges the LC and its stakeholder community to take the needed time to bring about the needed legislative changes before spending resources on standing up a potential Regional Organization (RO) without knowing the final mission and scope of said organization first.
- One of the key objectives of the Pathways Initiatives was to explore options for greater governance that leverage and build upon existing resources and structures, thus minimizing costs and effort while also achieving independence over market rules and operations. Should the LC determine that the RO is a necessary building block for achieving fully independent market governance, PacifiCorp considers it imperative that focus be on minimizing duplication and staffing the RO only with the resources necessary to achieve its objectives.
- PacifiCorp agrees with the LC's conclusion that Option 2 is the preferred option. PacifiCorp believes that maintaining CAISO's corporate scope to operate the market will reduce some of the complexities and risk while moving to sole authority. The incremental approach is further



appealing because it will allow a governing body or RO to gain experience and the chance to fully understand the implications of taking on market activity responsibilities all while minimizing administrative complexity. Option 2 seems like the next logical step after Step 1 because it moves the authority model from primary authority to sole authority without needing to take on existing contracts market participants have with the CAISO, which may be a time-consuming and arduous process. Regarding Option 2.5, PacifiCorp is strongly concerned with the potential level of staffing that might be required for the RO to operate. If the RO decides, after gaining experience, that there are significant benefits to taking over the market responsibilities, the RO will still be able to take another incremental step to do so.

PacifiCorp looks forward to future discussions on the Straw Proposal in upcoming workshops and appreciates the Pathways open and transparent process the Launch Committee has created.