

Elliot E. Mainzer President & Chief Executive Officer

Transmitted Electronically

May 8, 2024

Pam Sporborg and Kathleen Staks Co-Chairs, Launch Committee West-Wide Governance Pathways Initiative Comments@WestWidePathwaysInitiative.org

RE: PATHWAYS INITIATIVE - Phase 1 Straw Proposal

Dear Ms. Sporborg and Ms. Staks,

The California Independent System Operator (CAISO) offers these comments in response to the Launch Committee's request for stakeholder feedback on its Phase 1 Straw Proposal.

The Phase 1 Straw Proposal paper demonstrates the enormous amount of work the Launch Committee has already devoted to finding a means to achieve the full benefits of a West-wide wholesale energy market. We look forward to reviewing the stakeholder comments you receive. As stated in our previous comments, we are encouraged by the significant stakeholder interest across the West in this initiative and in the continued progress more generally on the evolution of Western energy markets.

The Phase 1 Straw Proposal recommends a stepwise approach to evolving the existing CAISO governance and discusses in detail two main steps in this process. With respect to the first step, the Launch Committee appears to be nearing finalizing a Step 1 proposal that would then be submitted to the CAISO Board of Governors and the WEIM Governing Body for their consideration. The CAISO will be ready to facilitate the prompt consideration of the proposal by both bodies through an expeditious public process, upon submittal.

With respect to the Step 2 proposal, we appreciate the interest of Western stakeholders in continuing to evolve governance over the Western regional markets through further changes that would likely require changes to the California statutes applicable to the CAISO. Without prejudging the outcome of such efforts, the CAISO stands ready to continue engaging as a technical resource for the Launch Committee and interested stakeholders as they continue to develop this proposal, and engage in discussions regarding appropriate options for Step 2. In particular, we support each of the eight evaluation criteria the Pathways Initiative has identified for this effort and are committed to help identify and explore reasonable options that may be able to meet these important goals.

We look forward to continuing to serve as a resource for the Launch Committee, and thank you again for your willingness to lead this effort.

Sincerely.

Elliot Mainzer

President and Chief Executive Officer