

**To:** [Comments@WestWidePathwaysInitiative.org](mailto:Comments@WestWidePathwaysInitiative.org)

**From:** Salt River Project Agricultural Improvement and Power District

**RE:** Comments on April 10, 2024, Pathways Initiative Phase 1 Straw Proposal Package and Supporting Documentation

Salt River Project Agricultural Improvement and Power District (SRP) appreciates the opportunity to comment on the Pathways Initiative Launch Committee's [April 10, 2024, Phase 1 Straw Proposal Package and supporting documentation](#). As stated in SRP's January 9, 2024, Pathways Initiative comments, SRP continues to prioritize the following factors when evaluating the governance model in any new regional market in which it contemplates participation:

1. Independence / transparency;
2. public power participation;
3. local resource decision-making; and
4. utility input on grid operations.

With these factors in mind, SRP would like to reiterate its preference for Option 4 (Spinoff Market Operator with Full 205 Rights), or some variation thereof, which is the most reflective of an independent governance structure presented by the Pathways Initiative as stated in our January comments. But, given that Option 4 is no longer being considered by the Pathways Initiative at this time, SRP would note that Option 2.5, the most independent option that continues to be considered by the Pathways Initiative, would align best with SRP's priorities.

In all of the options outlined in the proposal (0, 2, 2.5), the market tariff stays with the CAISO, and CAISO would remain both a market operator and participant. This remains a concern for SRP. SRP is unclear as to what changes would be made to the California statutes or what elements would be required to contract with the Regional Organization (RO). Simply put, there is not enough detail or process information provided at this time for SRP to determine what the potential impact may be to entities like SRP who are considering day-ahead market participation. It would be helpful if the Pathways Initiative could answer the following questions and provide the information below to aid SRP in contemplating the potential impact of the Pathways Initiative proposal:

- How would an appeal by an EDAM or EIM participant or stakeholder work in this new RO construct?
- How long will it take for Primary Authority to be implemented and what exact steps need to be taken?

- CAISO Board of Governors retains the option to invoke its “time-critical exigent circumstance.” Please provide examples of these types of “circumstances.” A definition of “time-critical exigent circumstances” would be helpful.
- Considering the advancements made on the independent governance framework in the proposal, the issue remains that CAISO staff will be employed by the CAISO, meaning they report to the CAISO CEO who is selected by the CA Governor and is beholden to the CAISO Board of Governors. With the creation of the RO or with the primary authority proposal, what assurances will be in place to ensure CAISO staff are working towards equitable market outcomes that are in the best interest of the market?
- California's 2025 legislative session is approaching, what is the timeline for this process and what steps are currently being taken to ensure progress on legislation in CA is being made?
- Please provide details regarding the needed contracting between the proposed RO and CAISO. It is unclear what elements will be included in the contract.

SRP appreciates the hard work and dedication of the Pathways Initiative and Launch Committee to ensure a path towards CAISO independence. The questions above are initial SRP thoughts on the proposal, as more information becomes available SRP may have additional questions. SRP appreciates the opportunity to provide feedback and plans to continue to engage in this effort.