West-Wide Governance Pathways Initiative

Monthly Stakeholder Meeting
August 14, 2026

Agenda

- Briefing Book
  - Overview of development
  - Chapters:
    - Ch. 4 Market Oversight and Data Access
    - Ch. 2 Corporate Organization and Governance
    - Ch. 3 Regulatory Structure and Oversight
    - Ch. 5 Budget and Finance
    - Ch. 8 Stakeholder Content
  - Remaining Content
- Formation Board Meeting
- ROWE Board Selection Process
- Executive Director Search Update
- Upcoming Meetings

Development of the Briefing Book

What is the Briefing Book?

The Briefing Book includes ideas on how the Board may implement and operationalize the actions and recommendations approved in the Final Proposal by the Launch Committee.

The Formation Committee is tasked with reviewing Work Group progress and surfacing major issues before proposals are sent to the Launch Committee and stakeholders. This process is iterative and we have encouraged continuous feedback as we refine these materials.

While consensus on the Briefing Book may not be universal, we are documenting our development process, including stakeholder feedback, open questions, and recommendations for ongoing engagement where feedback is mixed or processes remain incomplete.

Adoption of Final Proposal

November 2024

Passage of AB 825

October 2025 Enabled full implementation of the Final Propsal.

Phase 2 Implementation

October 2025

Work groups

Work groups were created to develop ideas on Final Proposal implementation.

Formation Committee

Provide ongoing feedback to work groups. Includes liasons from CAISO BoG, WEM GB, and BOSR.

Launch Committee

Review and provide feedback on work product from Formation Committee.

Stakeholder Feedback

Reviewed materials are presented and shared with stakeholders for comments and review. Feedback is reviewed with the work groups.

ROWE Board Briefing Book - Outline

I. Background

II. Corporate Organization and Governance

a. Proposed Action Plan
b. Corporate Formation
c. ROWE Bylaws
d. ROWE Policies
e. Principal Place of Business

III. Regulatory Structure and Oversight

a. Proposed Action Plan
b. Overview
c. ROWE Governance Tariff
d. CAISO Integrated Tariff
e. ROWE-CAISO Agreement

IV. Market Oversight and Data Access

a. Proposed Action Plan
b. Market Oversight
c. Data Access

V. Budget and Finance

a. Proposed Action Plan
b. Global Impact Contract Status
c. Financial Reports
d. Debt Financing
e. Grant Agreements
f. Budgets (2027-2028)
g. ROWE Budget Process
h. Cost Recovery Mechanism

ROWE Board Briefing Book - Outline

VI. Staffing & External Resources

a. Proposed Action Plan
b. ROWE Staff
c. Consulting and Legal
d. Stakeholder Support
e. CAISO Pre-Launch Support

VII. External Coordination

a. Proposed Action Plan
b. Website Branding Process
c. Talking Points
d. Key Communications Opportunities
e. Office of Public Participation
f. Tribal Engagement
g. BOSR
h. Consumer Advocate Organization

VIII. Stakeholder Process

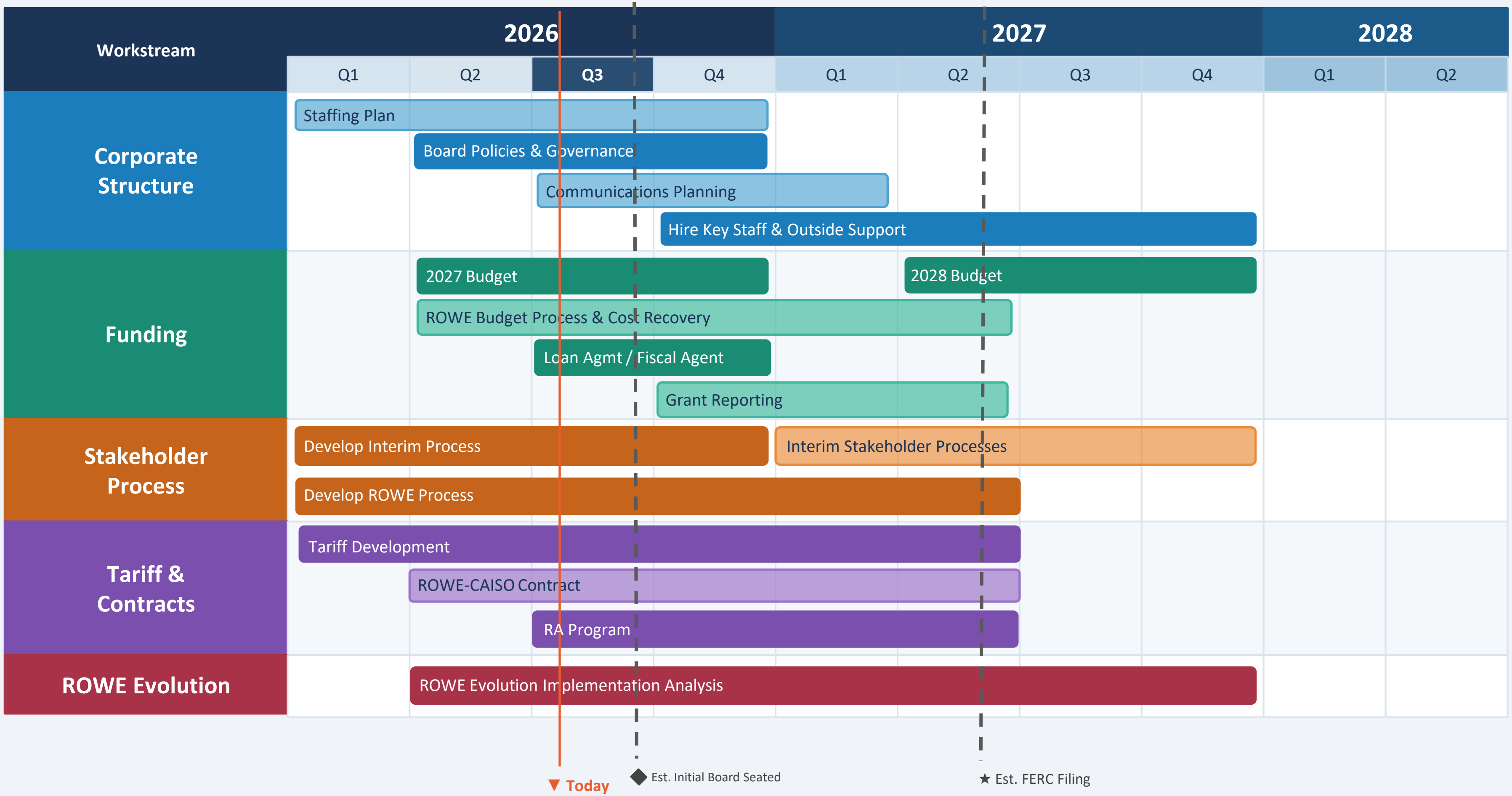
a. Proposed Action Plan
b. Stakeholder Representatives Committee
c. Sectors
d. Stakeholder Registration and Code of Conduct
e. Voting and Remand
f. Interim Stakeholder Process

IX. ROWE Evolution

a. Proposed Action Plan
b. Implementation Analysis
c. Evolution to Full Public Utility Status
d. Adding Services.

ROWE Implementation Swimlanes

Parallel workstreams · Q1 2026 – Q2 2028



Chapter IV: Market Oversight and Data Access

a. Proposed Action Plan
b. Market Oversight
c. Data Access

Chapter IV: Market Oversight

The Pathways Initiative Launch Committee recommended maintaining the market oversight functions that the CAISO has today, including the Market Monitoring Unit (MMU), Market Surveillance Committee (MSC), and the use of an independent expert, with some adjustments to the reporting and roles of those functions.

Collectively, these market oversight functions will provide the Board with information that will enable the Board to identify potential issues that could result in inequitable impacts on market participant classes and make the changes necessary to address those issues.

Data Access

There is a significant amount of information that is already publicly available to all western states: CAISO public data and reports; DMM public reports, presentations, and regulatory filings; work product from the MSC; and WEM Market Expert reports.

Information and data will continue to be shared in the way it is today. Specifically related to market data sharing with state agencies, one proposed solution could be a tariff revision:

- Amend the tariff to authorize CAISO to provide state specific market information to state agencies that may have a statutory obligation that requires certain market information...The ROWE and CAISO would partner to evaluate and provide the requested information pursuant to tariff provisions and applicable confidentiality protections. Each participating agency would execute a non-disclosure agreement (NDA) with the ROWE and CAISO to ensure that confidential market participant information remains protected.

Chapter II: Corporate Organization and Governance

a. Proposed Action Plan
b. Corporate Formation
c. ROWE Bylaws
d. ROWE Policies
e. Principal Place of Business

Proposed Action Plan

The Board should prioritize the following actions:

1. Adoption of additional policies and principles, including:
   - Board Selection Policy;
   - Open Meetings Policy;
   - Open Records Policies;
   - Directors' Code of Conduct and Ethical Principles;
   - Employee Code of Conduct and Ethics Program;
   - Records Retention;
   - Updated Conflicts of Interest Policy; and
   - Corporate Governance Principles.

2. Creation of certain committees of the Board, including:
   - Audit and Finance Committee; and
   - Public Policy Committee.

3. Outreach of the Public Policy Committee to:
   - Body of State Regulators
   - Tribes
   - PMAs

4. Establishment of clear protocols for Board communication with:
   - Body of State Regulators;
   - Tribes;
   - Consumer Advocates Organization; and
   - Stakeholder Representatives Committee.

5. Selection of the ROWE’s Principal Place of Business.

6. Development of a roadmap for further action to enhance its governance framework.

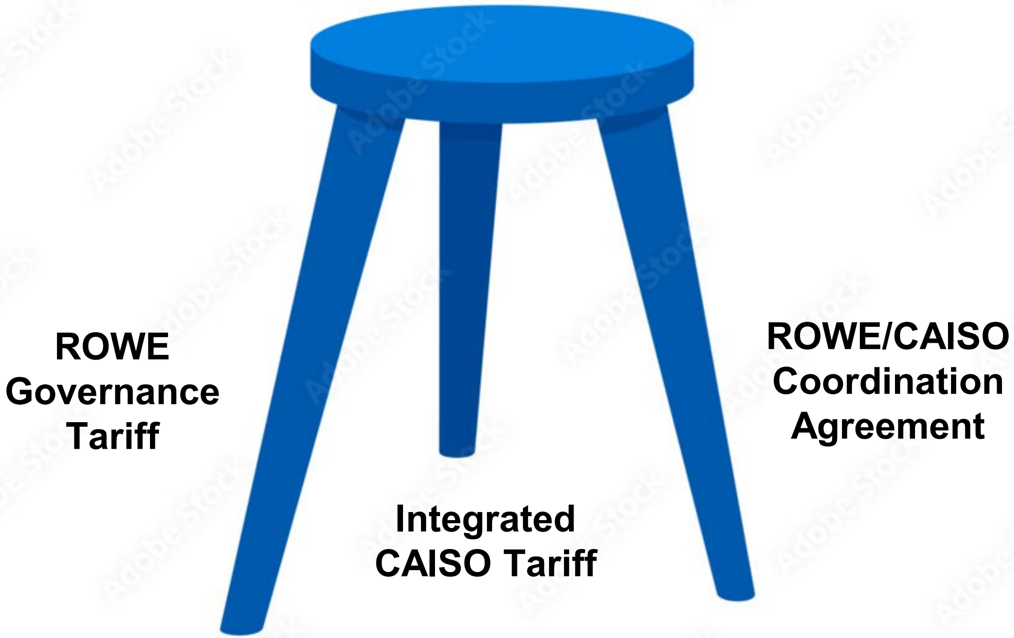
Chapter III: Regulatory Structure and Oversight

a. Proposed Action Plan
b. Overview
c. ROWE Governance Tariff
d. CAISO Integrated Tariff
e. ROWE-CAISO Agreement

Regulatory Structure Objectives

- To secure the **independence** of ROWE governance of the day-ahead and real-time energy markets
- To ensure **accountability and transparency** in the ROWE's exercise of its obligations subject to FERC oversight and public scrutiny
- To preserve **CAISO's corporate structure and health** by clearly defining the respective roles and responsibilities of the two entities
- To establish a **flexible platform for expansion** of ROWE services and responsibilities over time
- To enable **timely implementation**

Three-Part Regulatory Structure



Three-Part Regulatory Structure

The ROWE Governance Tariff

- ROWE has sole authority over these tariff provisions, administers the tariff, and makes 205 filings for any changes consistent with ROWE-CAISO coordination agreement
- Encompasses ROWE's core functions/structure and the process for exercising sole authority over market rules, such as:
    - Board composition
    - Inclusive stakeholder committees and processes
    - ROWE budget development and cost recovery through CAISO
    - Support and funding for the Body of State Regulators, Office of Consumer Advocate, and Office of Public Participation, and
    - Participation in oversight of the Department of Market Monitoring
- Similar to the Markets+ Appendix O and portions of the WRAP Tariff
- Supports and interacts with other ROWE governance documents
- Establishes a platform for future service expansion

Chapter IV: Budget & Finance

a. Proposed Action Plan
b. Global Impact Contract Status
c. Financial Reports
d. Debt Financing
e. Grant Agreements
f. Budgets (2027-2028)
g. ROWE Budget Process
h. Cost Recovery Mechanism

Chapter V: Budget and Finance

ROWE Budget

- Open and transparent process
- Include all costs associated with the activities required to meet its scope of services
    - Staff and Board - direct and indirect costs
    - Legal and Professional support - includes costs associated with the CAISO services in support of market operations and other services; HR, accounting, Market Expert, etc.
    - General and Administrative costs - e.g. travel, insurance, IT, etc.
    - Capital Cost Allocations
    - Funding reserves
    - BOSR, CAO
- Linked to CAISO budget process, tariff, and accounting systems at outset

Draft 2026-2027 Budgets

2026	Q1	Q2	Q3	Q4	2026 Total
Legal & Professional Services	$392,500.00	$384,700.00	$182,500.00	$471,700.00	$1,431,400.00
General & Admin	$0.00	$32,705.00	$40,000.00	$88,000.00	$160,705.00
Staff	$0.00	$0.00	$0.00	$150,000.00	$150,000.00
Board	$0.00	$0.00	$0.00	$187,500.00	$187,500.00
TOTAL	**$392,500.00**	**$417,405.00**	**$222,500.00**	**$897,200.00**	**$1,929,605.00**
20% Contingency					$385,921.00
Grand Total					**$2,315,526.00**

2027	Q1	Q2	Q3	Q4	2027 Total
Legal & Professional Services	$256,050.00	$229,200.00	$226,800.00	$380,200.00	$1,092,250.00
General & Admin	$67,500.00	$118,500.00	$100,500.00	$212,500.00	$499,000.00
Staff	$408,000.00	$689,250.00	$801,750.00	$905,916.00	$2,804,916.00
Board	$187,500.00	$187,500.00	$187,500.00	$187,500.00	$750,000.00
TOTAL	**$919,050.00**	**$1,224,450.00**	**$1,316,550.00**	**$1,686,116.00**	**$5,146,166.00**
20% Contingency					$1,021,233.00
Grand Total					**$6,167,399.00**

Draft 2028 Budget

2028	Q1	Q2	Q3	Q4	2028 Total
Legal & Professional Services	$513,000.00	$513,000.00	$513,000.00	$513,000.00	$2,052,000.00
General & Admin	$159,000.00	$149,000.00	$164,000.00	$149,000.00	$621,000.00
Staff	$1,020,498.00	$1,020,498.00	$1,020,498.00	$1,020,498.00	$4,081,992.00
Board	$186,999.00	$186,999.00	$186,999.00	$186,999.00	$747,996.00
BOSR	$175,000.00	$175,000.00	$175,000.00	$175,000.00	$700,000.00
CAO	$125,000.00	$125,000.00	$125,000.00	$125,000.00	$500,000.00
Reserves	$450,000.00	$450,000.00	$450,000.00	$450,000.00	$1,800,000.00
Startup Loan Debt Repayment	$2,250,000.00	$2,250,000.00	$2,250,000.00	$2,250,000.00	$9,000,000.00
TOTAL	**$4,879,497.00**	**$4,869,497.00**	**$4,884,497.00**	**$4,869,497.00**	**$19,502,988.00**
20% Contingency					$3,830,597.00
Grand Total					**$23,333,585.00**

Chapter V: Budget and Finance

ROWE Financing

- Implementation Phase - through Global Impact as Fiscal Sponsor
    - Stakeholder contributions
    - Foundation grants
    - Debt-financing
- Long-term
    - Tariff funding
    - Cost of Service study

ROWE Start-up Funding Mechanism receives FERC approval

In June, the CAISO filed proposed revisions to its OATT with FERC to establish two new settlement charges which will enable start-up debt financing for the ROWE.

FERC issued an order accepting the revisions on August 10. (Docket No. ER26-2789-00).

The order accepts the proposed tariff revisions, effective January 1, 2028, as requested.

Chapter VIII: Stakeholder Process

a. Proposed Action Plan
b. Stakeholder Representatives Committee
c. Sectors
d. Stakeholder Registration and Code of Conduct
e. Voting and Remand
f. Interim Stakeholder Process

June Narrative Comments

Comments were mostly clarifying language and questions.

What is the process for Business Practice Manual changes?

- The BPM process will take place in future negotiations with the ROWE/CAISO.

What is the process for exigent circumstances?

- Language regarding exigent circumstances is included in the updated narrative.

What is the difference between the use of ROWE/CAISO staff?

- The ROWE will have limited staff at the onset, and it is unclear what kind of staff will be hired. The use of “staff” generally is intended to give the Board flexibility when hiring staff. The ROWE/CAISO contract will address the separation of staffing and workload. Staffing is discussed at a later chapter in the book.

Redlines are posted to the Pathways Landing page.

Stakeholder Representatives Committee (SRC)

ROWE Board

Approves Proposal with advisory support from the SRC

Advisory

Stakeholder Representative Committee

Working towards consensus across sectors/Advising ROWE Board

Facilitate Stakeholder Process | Inform ROWE Board | Identify & Prioritize Initiatives

Distilling Information

Sector Representative

Working towards consensus across organizations / Facilitating Stakeholder Engagement

Sector calls | Organize Comments | Tally Votes

Input

Feedback & Driving Consensus

Individual Organization

Engage directly on Priority Initiatives

Write Comments | Vote | Provide Feedback to SRC Representatives

(9) RO Sectors for Stakeholder Voting	**(21) Sector-based seats on SRC**
EDAM Entities	2 Seats
WEIM Entities	3 Seats
[no PMA standalone sector]	*1 additional seat reserved for PMAs in either EDAM or WEIM sector
ISO PTOs	2 Seats
Non-IOU load serving entities serving load from WEIM or EDAM	4 seats
PIOs	2 Seats
Consumer Advocates	2 Seats
Large C&I Customers	2 Seats
IPPs, independent transmission developers, and marketers	3 Seats
Distributed Energy Resources	1 Seat

Stakeholder Registration and Code of Conduct

Registration will be renewed annually to ensure accurate registration information. Individual stakeholder organizations are responsible for keeping their registration and contact information up to date. Disputes regarding sector assignments will be reviewed by the SRC. Stakeholders who elect not to agree to a code of conduct and registration could still participate and comment but would not be eligible to vote.

Information obtained from registration will be used to analyze voting results presented to the Board and stakeholders.

The Code of Conduct includes best practices for participating as a stakeholder.

Voting Overview

Purpose: Stakeholder voting in the ROWE should be advisory rather than binding. The term “indicative” is used to emphasize the nature of this advisory voting: it is intended to reveal preferences among stakeholders and sectors for the direction of a given initiative or issue, and to steer further stakeholder process accordingly.

Structure: Indicative voting would take place at the individual registered entity level. To be able to vote, a stakeholder would have to register with the ROWE via a stakeholder registration form and agree to a code of conduct. Indicative voting processes should be automated and accommodate virtual voting to enable the maximum number of organizations to vote.

Reported results of indicative votes should be made public to allow entities to understand the perspectives of other stakeholders and promote collaboration through enhanced communication.

Voting Prior to a Final Proposal

Indicative voting should be used throughout the stakeholder process prior to a Final Proposal to capture stakeholder sentiment, preference, and identify areas of potential disagreement. It is intended to help the ROWE Board make decisions independently and expediently by providing a comprehensive understanding of stakeholder sentiment throughout the process. It is not intended to institutionalize any particular level of consensus prior to the Board making a decision.

For indicative voting throughout the stakeholder process, entities would choose from the following options:

- Support
- Support with Caveats
- Oppose
- Oppose with Caveats
- Abstain

Voting on a Final Proposal & Remand

Upon completion of a Final Proposal in the Stakeholder Initiative Phase, and before the ROWE Board votes, stakeholders would have the opportunity to vote on an initiative. The goal of the remand process is to ensure that a stakeholder's vote has a meaningful (but not absolute) impact on the decision-making process of the ROWE as a whole, in particular when there is extensive or intensive disagreement.

If the criteria for a "default" remand are met the Final Proposal would be remanded to address stakeholder concerns and achieve broader support before it advances to the ROWE Board, absent an overriding ROWE Board decision.

Voting with caveats is impractical for calculating remands at this phase of stakeholder voting. Consequently, voting entities would select from the following choices:

- Support
- Oppose
- Abstain

Remand

The ROWE Board should consider two standards for measuring whether significant opposition exists and thus a remand should be triggered.

- Sector Majority Standard
- Minority Sector Interest Standard

These are measurements applied to the indicative vote on a Final Proposal, not a separate process or kind of vote. *If the indicative voting results do not meet the requirements of the Sector Majority Standard, staff should apply the Minority Sector Interest Standard. If the indicative voting results do not meet the requirements of the Minority Sector Interest Standard, there is no remand.*

A default remand is not a guaranteed outcome: the Board will always retain the final say about advancing an initiative or allowing a remand to take effect.

Remand - Sector Majority Standard

This remand hinges on a simple majoritarian approval (or disapproval). It is triggered by a majority of all sectors having a majority (50.1%) of voting entities within the sector opposed to a Final Proposal (i.e., if the SRC is composed of 9 sectors, as anticipated, then 5 sectors would be required for a majority).

- *Determine whether a participation threshold has been met to establish a sector's formal position* (support/oppose). A threshold of at least 20% of all registered entities within a sector voting. The actual number of voters should be no less than 2 or 3 votes.
- *Register a sector's position* (support/oppose). Once a participation threshold is reached, then a majority of the actual voting members constitute the sector's position.
- *Calculate if there is significant opposition*. Upon completing a vote on a Final Proposal, a majority of the sectors must be registered as "opposed" for the initiative to be remanded by default (subject to the ROWE Board overriding this remand).

Remand - Minority Sector Interest Standard

This method for measuring opposition is intended to provide additional procedural protections for what may be termed minority sector interests. This standard should be invoked rarely, and should therefore have more stringent standards than the Sector Majority, including a demonstration of “broad and deep opposition” to a Final Proposal. **In order to trigger this remand, at least one-third of the SRC sectors would have to have supermajorities of voters opposed to a Final Proposal.** The steps in the process are as follows:

- *Determine whether a participation threshold has been met to establish a sector’s formal position* (support/oppose). “Broad” should be defined as the number of votes (support or oppose only) as a percentage of eligible voters in the sector. This number should be at least 50.1% of all eligible voters in the sector. This simple majority—within each sector—would be the participation threshold for this type of remand.
- *Determine whether there is “deep” opposition in the sector’s position* (support/oppose). “Deep” should be defined as at least 70% of those actual votes are opposed. This figure is high but still within reach for large sectors.

Interim Stakeholder Process

The ROWE Board retains the authority, in consultation with the stakeholder community, to determine the details of any stakeholder process. The purpose of this section is to facilitate decisions and early adoption by the Board for an interim stakeholder process that may be used until permanent ROWE processes are established.

At a minimum, we strongly urge the following core elements be included in any interim stakeholder process:

- The sector identification and sector-based participation are critical to any interim process
- Transparent opportunities for public comment.

We urge other components be included in any interim process:

- Straw and draft proposals that articulate specific ideas to garner meaningful stakeholder feedback;
- Periodic workshops to educate and facilitate discussion options;
- Indicative voting which is intended to capture the views of sectors to inform Board decisions and is a core element of our recommendations for a more permanent ROWE stakeholder process.

Remaining Content

- Chapter I: Background
- Chapter III: Regulatory Structure and Oversight
- Chapter VI: Staffing and External Affairs
- Chapter VII: External Coordination
- Chapter IX: ROWE Evolution

Tribal Engagement

Scope: Partner with Tribal representatives across the West to better understand the range of current market engagement and unique challenges, how these may change and evolve over time, working collaboratively on recommendations for how the ROWE can best support their collective needs.

- Update: Gridworks has been engaged to help facilitate these efforts.
- Working with Tribal representatives to develop a proposal for the ROWE Board that will include ongoing work as the ROWE develops.

Formation Board Meeting

July Action Items:

- Approval of the Engagement of Executive Director Search Firm
- Approval of authorization for ROWE to enter into a vendor contract
- Review of Bank Loan Negotiations and Approval of Pursuing Negotiations (Executive Session)

Executive session: Discussion of Board Selection Process

ROWE Board Selection Process Schedule

Key Dates 2026	Step in Search Process
June 30	Deadline for Candidate Submission
July 15	Submittal of Qualified Candidate List to Nominating Committee
August 5	Shortlist determination. You will be notified by Lyceum after this date whether you have been selected or not for 1st Round Interviews.
August 25, 27, 28, and 31	**1st Round Candidate interviews** with Nominating Committee. These will be 60- to 75-minute virtual interviews. **All potential candidates should tentatively hold at least 2 of these dates.** You will be notified by Lyceum after the last interview date whether you have been selected or not for Final Round Interviews.
September 14 and 15	**Final Round Candidate interviews** with Nominating Committee. These will be 60- to 75-minute in-person interviews. Location TBD. **All potential candidates should tentatively hold both of these dates.** You will be notified by Lyceum after the last interview date whether you have been selected or not for the Final Slate of Candidates.
By September 25	Nominating Committee recommends Final Slate of Candidates to Formation Board
By September 30	Formation Board appoints new Board of Directors

Upcoming Executive Director Search

The Formation Board surveyed the 26 Long List candidates being considered for ROWE's inaugural Board of Directors regarding whether preparatory work for an Executive Director/CEO search should begin before the inaugural Board is seated.

The survey reflected general support for beginning preparatory work on the ED/CEO search. Reflections generally indicated that an Executive Director/CEO search already underway would not diminish willingness to serve and, for many respondents, would strengthen confidence in the Board's ability to meet ROWE's implementation timeline, provided governance safeguards are maintained.

Lyceum is currently developing a position description with input from the Formation Board.

Illustrative Timeline for ROWE Executive Director/CEO Search

Key Dates (subject to change by the ROWE Inaugural Board)	Step in Search Process
August 14, 2026	Kickoff Discussion with Search Committee (Planning and Coordination of Key Dates)
Week of September 14 through November 6	Lyceum in Market
September 30	**Formation Board appoints ROWE Inaugural 5-Seat Board of Directors**
Week of November 16	Submittal of Qualified Candidate List to ROWE Search Committee / **ROWE Inaugural Board**
Week of November 16	**Shortlist determination** (Selection of candidates for 1st Round Virtual Interviews)
Week of December 7	**1st Round Virtual interviews** with **ROWE Inaugural Board** (At the conclusion of interviews, selection of candidates to be made for Final Round In-person Interviews)
Week of January 4 or January 11, 2027	**Final Round interviews** with **ROWE Inaugural Board** (At the conclusion of interviews, selection of finalist candidate to be made and offer extended shortly thereafter) ***NOTE:*** *Anticipated start date in February or March depending on notice period needed and timing of potential bonus payout.*

Upcoming Opportunities for Engagement

- The last stakeholder meeting before the Board is seated will be on:
  - Friday, September 25, 2026
  - 10:00-12:00PT/11:00-1:00MT/12:00-2:00CT
- The Launch Committee will vote on the slate of candidates at the end of the September 25th stakeholder meeting.
- The Formation Board will meet on September 30th to evaluate the slate of candidates.
  - 8:30-10:00PT/9:30-11:00MT/10:30-12:00CT

Public Comment Period: September 4

Resources

- **Launch Committee materials will continue to be posted on the WIEB landing page: https://www.westernenergyboard.org/wwgpi/.**
    - This includes: stakeholder meetings and materials, working group materials, information on the nominating committee process, and comments.

- **All ROWE related materials will be posted on the ROWE landing page: rowesternenergy.org.**
    - This includes: Formation Board meetings and materials and the emerging resource adequacy framework.

Thank you!

- The Launch Committee can continue to be reached via pathways@westwidepathwaysinitiative.org
- All comments can be directed to comments@westwidepathwaysinitiative.org
- Pathways Initiative information continues to be hosted on the WIEB website at www.westernenergyboard.org/wwgpi