

Arizona Public Service comments regarding the Evaluation Framework and Pathways Options

January 12, 2024

Arizona Public Service (APS) appreciates the opportunity to provide comment on the Initial Evaluation Framework for Pathways Options (shared in December 2023). APS acknowledges the effort and progress made by the Pathways Launch Committee to develop the Pathways Initiative (Initiative) to this point.

APS previously submitted comments on the Initiative in September 2023 and continues to pursue and support independent governance structures for any Western market expansion activity. Now that the Initiative has clarified its intent to form a new, independent regional organization (RO) to function in relation to the California Independent System Operator's (CAISO) regional market programs, APS reiterates a prioritization of independence and transparency to evaluate the sufficiency of the governance models being contemplated by the Initiative.

Of the five principal options the Initiative has put forth for the governance structure of the new RO it prescribes, APS endorses Option 3 and Option 4 with a final preference for the latter. The remaining options still function within varying scales of joint governance with the CAISO Board, which APS rejects as an acceptable indicator for independence. APS suggests that the Launch Committee move to focus its efforts by reducing the number of options and begin defining steps to achieve an independent governance structure under the new RO paradigm.

APS does not have further input to provide at this juncture regarding the Legal and Operational Questions posed in the document. However, should responses to these questions by the stakeholder community yield additional areas of inquiry, APS is open to building upon the existing evaluation criteria. APS plans to continue participating in this Initiative and eagerly awaits an opportunity to provide feedback on the next iterative step.

