



## West-Wide Governance Pathways Initiative

### Stakeholder Comment Template: CAISO Issues and Tariff Analysis

The Launch Committee has identified several specific areas that would be valuable to receive input to help refine this area of the Step 2 Proposal. All feedback is welcome, but responses to the following questions would be particularly helpful:

#### **CAISO Issues**

Please provide feedback with as much detail as possible on the following topics:

1. Structure: Should the RO be an organization that primarily consists of a policy-setting board (Option 2) or an organization that formally offers and bears ultimate responsibility for market services (Option 2.5)?

Option 2.5 should be the ultimate goal for the credibility of the RO. But, I understand that there may be a need to take a step-wise approach. However, the time spent in Option 2 should be with a clear objective of landing at Option 2.5 in the shortest amount of time possible, understanding that some time at Option 2 may be necessary from a practical and financial perspective.

2. RO-CAISO relationship: Should the RO's contract with the CAISO be a governance-focused interface agreement (Option 2) or a contract for services from a markets vendor (Option 2.5)?

Again, I think a governance-focused interface agreement should be an intermediary step with the goal of a contract for services from CAISO. The more the RO seems to be directing the market and operating the market, the less it will appear to be CAISO with a new name. Separation of functions provides assurances that the RO will not be subject to all of the concerns being expressed today about joining a CAISO-led western market, including submission to laws and regulations promulgated by the State of California.

3. Cost: How important to you or your organization is implementation cost in evaluating Option 2 versus Option 2.5?

It is important, as this is a self-funded effort. Until there is a more permanent funding mechanism to sustain the organization, it doesn't seem reasonable to burden the fledgling organization with excessive costs.

4. Independence: How valuable is the increment of institutional independence gained in Option 2.5 relative to Option 2?

As mentioned above, institutional independence is critical for longer-term credibility and trust. Therefore, an interim, and hopefully short-lived, stop in Option 2 is preferable.

5. Responsibility: Do you have any feedback on the level of institutional responsibility the RO would bear in Options 2 and 2.5, as outlined in this presentation?

6. Liability: Are there any particular aspects of financial liability borne by the RO in Options 2 and 2.5 that you would like to raise or address?

7. Evolution: Does either option offer a durable institutional home to oversee or host services beyond energy markets?



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Option 2.5 is a more durable institutional structures of offer expanded services.

8. Given the potential time needed to rework market-related contracts and establish sufficient contingency reserves, among other matters, do you perceive value in a Step 2 approach that would begin with Option 2 and then transition or evolve to 2.5?

As stated above, yes.

### **Tariff Analysis**

9. Do you agree with the suggested areas where the CAISO and the RO would each have sole authority and the areas where they would have shared authority? Please provide as much detail as possible why you agree or disagree and suggestions on possible alternatives.
10. Do you agree with the suggested principles proposed to determine RO sole authority? Please provide as much detail as possible why you agree or disagree and suggestions on possible alternatives.
11. Do you agree with the suggested principles proposed to determine CAISO sole authority? Please provide as much detail as possible why you agree or disagree and suggestions on possible alternatives.



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12. Do you agree with the suggested principles proposed to determine overlapping authority?  
Please provide as much detail as possible why you agree or disagree and suggestions on possible alternatives.
13. Please provide feedback on the proposed options for dealing with overlapping authority with suggestions for other possible options.

**General feedback:**

14. Do you have any additional feedback you would like to share with the Launch Committee on these topics?

Written comments are due on August 19, 2024. Please submit comments via email to [Comments@WestWidePathwaysInitiative.org](mailto:Comments@WestWidePathwaysInitiative.org). Thank you in advance for your time and feedback. We look forward to receiving your comments and ideas.