

WEST-WIDE GOVERNANCE PATHWAY INITIATIVE
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
COMMENTS ON THE PUBLIC INTEREST WORKSHOP

August 29, 2024

The California Community Choice Association¹ (CalCCA) appreciates the opportunity to provide input on the West-Wide Governance Pathways Initiative's (Pathways Initiative's) Public Interest Workshop (Workshop). CalCCA strongly supports the direction of the Pathways Initiative and appreciates the working group's focus on the important goal of "identifying a durable, enforceable combination of tools to protect the public interest across the entire footprint served by the [Regional Organization (RO)]."² Durable and robust public interest protections will ensure the RO offers reliability and affordability benefits to consumers in all participating states while respecting the ability for all participating state and local governments to advance policies applicable to their own loads.

CAISO Issues

- 1. Do you think the set of tools shared by the working group is comprehensive? If not, please share other tools that should be considered.***

CalCCA supports considering the set of tools shared by the working group, including those within the RO Board, States Committee, Consumer Advocate Engagement, Independent Market Monitor, and Stakeholder Process categories. CalCCA does not have suggestions for other tools that should be considered.

- 2. Do you disagree with any of the tools shared by the working group? Are there any that should not be used to protect the public interest? If so, please share your rationale.***

CalCCA does not disagree with any of the tools shared by the working group.

- 3. Do you agree with the tools shared to protect the public interest within the RO board? Do you have additional recommendations for consideration?***

¹ California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² West-Wide Governance Pathways Initiative, Public Interest Workshop (Aug. 15, 2024) at 3: <https://www.westernenergyboard.org/wp-content/uploads/Public-Interest-Workshop-Slide-Deck.pdf>.

CalCCA agrees with the tools shared to protect the public interest within the RO board, including (1) incorporating common public interest principles into the RO Articles of Incorporation and Charter, (2) allowing for stakeholder and State Committee input on public interest issues, (3) creating a board selection process that incorporates the commitment to protecting consumer interests in the board selection process, (4) transparently making decisions, and (5) effectively resolving disputes raised by state regulators.

4. *States Committee*

a. Do you agree with the structure and governance proposed by the working group? Why or why not? Do you have additional recommendations for consideration?

CalCCA agrees with the structure and governance proposed by the working group, which continues the current Western Energy Imbalance Market (WEIM) Body of State Regulators (BOSR) structure. The BOSR provided an effective forum to educate state regulators on market developments so they can make informed recommendations and take common positions, when applicable, on issues that affect the consumers they represent. As described in response to 4(c), not all consumer interests are fully represented by the states alone. Public power and local governments also play a role in protecting public interest and should have a role in protecting those interests within the RO.

b. How has your experience been with other markets' States Committees (BOSR, COSR, MSC, etc.)? Are there any considerations recommended for this working group?

The California Independent System Operator's (CAISO) Market Surveillance Committee (MSC) has been a valuable source for evaluating market issues and making policy recommendations on issues of interest to consumers, such as market efficiency, competitiveness, and market power. As an independent body of market experts, the MSC's opinions are highly regarded by CAISO staff, stakeholders, the CAISO Board, and the WEM Governing Body when evaluating potential policy changes. A committee like the MSC can provide valuable insights into the impact of proposed policy changes on consumers within the RO footprint.

c. Do you agree with the role of public power/PMA proposed by the working group? Do you have additional recommendations for consideration?

CalCCA agrees with the working group's recognition of public power's important role in representing consumers within the potential RO footprint. The working group proposes that public power and PMA representatives are advisory except in situations where state representatives are voting. In those situations, public power representatives will also have voting rights. CalCCA agrees with this proposal, as it would give a voice to public power entities within the RO footprint.

Public power entities are not jurisdictional to the states' Public Utilities Commissions. Therefore, without public power's participation in the States Committee, not all consumer interests would be represented. Similarly, while California community choice aggregators (CCAs) are under the California Public Utilities Commission for very limited purposes, they are primarily under the jurisdiction of their local elected officials. Local governments should be represented to ensure the interest of all consumers are adequately represented.

d. How else might public power/PMA perspectives be incorporated?

CalCCA has no additional comments on how public power/PMA perspectives might be incorporated.

e. Do you agree with the proposed relationship between the States Committee and the RO board? Do you have additional considerations or adjustments to the proposal?

CalCCA supports the States Committee's ability to request an RO Board supermajority vote on a particular topic, have a seat on the RO Board Nominating Committee, and veto RO Board nomination(s) with a two-thirds vote of states and load.

5. Consumer Advocates

a. Do you agree with the structure proposed by the working group? Do you think this is an effective means of engaging consumer advocates? Why or why not? Please share your rationale.

CalCCA agrees Consumer Advocates must be able to participate in an RO in a manner that facilitates their state roles and mandates. This participation could include, as the working group recommends, participating in RO stakeholder processes, requesting data and analysis from the market monitor, having representation on the RO Board nominating committee, and creating a Consumer Advocate Organization.

The Working Group proposes creating a Consumer Advocate Organization, a 501(c)3 organization to maintain consistent interaction in RO processes and facilitate consumer advocate participation. Such an organization could be beneficial, given the working group indicates individual Consumer Advocate offices are insufficiently staffed to participate in stakeholder processes. The creation of a new Consumer Advocate Organization will require further discussion and stakeholder consideration to understand the potential costs of the organization and vet its proposed funding structure.

b. Do you think this proposal is effective in protecting the consumer interest? Why or why not? Please share your rationale.

This proposal would effectively protect consumer interests. It offers Consumer Advocates multiple avenues for participation and access to information and decision-makers necessary to ensure Consumer Advocates' input on consumer issues is communicated to the RO Board.

- 6. *Do you think the elements outlined in the presentation materials of the role of an Independent Market Monitor would be effective in helping to protect the public interest? If not, please explain your rationale and include any suggestions you can offer that would strengthen the role of an Independent Market Monitor.***

CalCCA supports the role of an Independent Market Monitor to help protect the public interest. The CAISO's Department of Market Monitoring (DMM) has been very effective at its mission of providing "independent oversight and analysis of the [CAISO] markets for the protection of consumers and market participants by the identification and reporting of market design flaws, potential market rule violations, and market power abuses."³ In addition to analyzing and reporting, DMM provides policy recommendations for increasing the efficiency and effectiveness of the CAISO markets and the Western Energy Imbalance Market. It has also been effective at monitoring for potential detrimental market behavior and executing its role of referring potential non-compliance to FERC when necessary. An independent market monitor of the RO that is similar to the CAISO's DMM would provide valuable public interest protections.

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

CalCCA looks forward to the opportunity to continue working with and supporting policymakers and other stakeholders to maximize and protect customer benefits as regional coordination evolves.

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<https://www.caiso.com/market-operations/market-monitoring>.