



January 12, 2023

Clean Energy Buyers Association Comments on the Pathway Initiative's Initial Evaluation Framework for Pathways Options

The Clean Energy Buyers Association (CEBA) appreciates the opportunity to offer these comments on the West-Wide Governance Pathway Initiative's (WWGPI)'s December 15th paper presenting an Initial Evaluation Framework and Pathway Options¹. As introduced in past comments, CEBA is a business association of 405 energy customers and partners, and we are committed to achieving a 90% carbon-free U.S. electricity system by 2030. CEBA is joined by Ceres and Western Freedom, who also represent large commercial and industrial customers and are aligned in our support for WWGPI's mission² to maximize overall consumer benefits and establish independent governance in future offerings, among other goals.

As representatives of a sector that has been deeply engaged in market expansion³ and bears the cost of future market choices, we commend WWGPI for providing inclusive and transparent stakeholder outreach. We encourage WWGPI to continue sharing documents and hosting stakeholder calls that communicate rapidly developing options and considerations so that the diverse set of sectors WWGPI has convened can provide their unique perspectives.

Feedback on Pathways Draft Evaluation Criteria

The Priority Functions & Scope Working Group of the WWGPI's Launch Committee is seeking stakeholder feedback on the potential options for draft evaluation criteria and organizational structures that can meet the objectives and core principles of the Initiative. CEBA and other large

¹ Pathways Initiative: Initial Evaluation Framework for Pathways Options, December 15, 2023.

https://www.westernenergyboard.org/wp-content/uploads/Pathways-Initiative_Initial-Options-Evaluation-Framework-Paper.pdf

² Mission and Charter of the West-Wide Governance Pathways Initiative (WWGPI) Launch Committee November 13, 2023. https://www.westernenergyboard.org/wp-content/uploads/Pathways-Initiative-Mission-and-Charter_November-13-2023_Final.pdf

³ CEBA is a Pathways Launch Committee alternate for the Large Commercial and Industrial Customer Sector and actively engaged in dialogues exploring the development a regional market framework that maximizes customer benefits. CEBA is also actively engaged on market design issues related to the Extended Day-Ahead Market and Markets+ tariff design.



energy customer representatives thank the Launch Committee for their continued hard work on this Initiative and for seeking input early on, before proposing specific strategies.

In terms of the draft high level evaluation criteria, CEBA supports the criteria as proposed. We emphasize the importance of operational flexibility and a timeline that promotes broad participation. WWGPI has focused on providing future participants with the ability to communicate which structures and market offerings will meet their needs on an efficient timeline. WWGPI should prioritize maintaining this balance as it continues examining options. Similarly, CEBA supports the Initial Legal Questions as presented as well. We look forward to future legal analysis that will provide more insight into these considerations and shape future options.

Feedback on Pathways Draft Structural Options for Analysis

The Launch Committee has also asked for feedback on the proposed organizational structures presented, specifically- “are the bookends reasonably defined to set the boundaries for a timely, productive exploration of available structural alternatives to governing autonomy” and “do additional options not encompassed above, but within the bookends, warrant exploration.” The Launch Committee has done a good job of providing bookend options that encompass both status quo and a very ambitious spinoff of a market operator with full 205 rights. While we support the criteria proposed, we also want to call consideration and caution to the intensity of operating a separate tariff, as outlined in higher-level options. The depth and breadth of regulatory obligations that accompany operating a tariff should not be taken lightly. Additionally, CEBA and other large energy customer representatives do not want to rule out a wider spectrum of options within the bookends. Returning to the principle of operational flexibility, involved stakeholders should be able to explore variations of the options presented if they might better meet the needs of the West. In the next step of analysis and discussion, the Launch Committee should explore additional options raised if they align with the proposed evaluation criteria and core principles outlined in the Mission of the Launch Committee.

Finally, CEBA encourages the Launch Committee to prioritize the establishment of clear timelines that maximize broad participation. As legal and operational analyses are developed and stakeholder buy-in increases, the ability to adopt a phased approach may be needed to achieve the Initiative’s goals.



Conclusion

CEBA and other large energy customer representatives are pleased to see continued momentum from this Initiative and look forward to future analysis and discussion on structural options and future timelines. Continued large energy customer engagement in the process is important to ensure the best outcome for all energy customers and maximize societal, economic, and environmental benefits.

Sincerely,

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