

September 11, 2023

**Chair Megan Decker**

Oregon Public Utility Commission  
Co-Chair of Committee on Regional Electric  
Power Cooperation

**Commissioner Andrew McAllister**

California Energy Commission  
Chair, Western Interstate Energy Board

**Cabinet Secretary Sarah Cottrell Propst**

New Mexico Energy, Minerals and Natural  
Resources Department  
Co-Chair of Committee on Regional Electric  
Power Cooperation

**Laura Rennick**

Executive Director  
Western Interstate Energy Board

C/O: Carl Linville, Regulatory Assistance Project and Jennifer Gardner, Envision Energy LLC

**SUBJECT: Joint Competitive Stakeholders Response to West-Wide Governance Pathway Initiative Request for Feedback**

Joint Competitive Stakeholders (as listed below) submit a response to the coalition’s request for feedback from stakeholders on the West-Wide Governance Pathway Initiative (“the Initiative”). We appreciate the opportunity to provide this feedback and commit to partnering with the coalition in its efforts to explore creating an independently governed entity to deliver market services throughout the West, including serving as a pathway for a potential Western regional transmission organization (RTO). We are representatives from the competitive sector comprised of competitive power suppliers, competitive retailers, competitive transmission developers, competitive project developers, financial institutions, and trade groups. What differentiates us from other market participants is that we are a collection of independent, non-utility market participants engaging in power transactions, serving customer demand, and providing risk management solutions to increase competition in Western markets. This competition results in lower costs, cleaner energy, and more choices for consumers. A well-functioning competitive wholesale electricity market is the best foundation to reliably power the West at the lowest cost and to foster associated innovation.

The undersigned contribute to efforts to bring more competition throughout the West by participating in the California Independent System Operator’s centralized energy and ancillary service markets or related markets or participating in Western bilateral power markets. As the West transitions to other market structures, we must continue to ensure open access to all participants, including non-utility participants. Fostering open access leads to efficiently using transmission to enhance competition, driving down costs to consumers, and incentivizing investment in new modern transmission assets and innovative technology.

It is our goal to serve as a partner for this coalition to help move expeditiously with the best information possible. In this spirit, we provide the responses below as requested.

**Question 1. Pros and Cons of Initiative Being Outside of Existing Effort**

Joint Competitive Stakeholders support the Initiative proceeding outside of any existing organization or decision-making process. Currently, there is no existing organization or decision-making process that is

an effective venue for this discussion. We support this effort continuing separately and in parallel to other efforts, so that there can be a venue with the explicit goal and scope of exploring these important and challenging governance discussions essential to creating a Western Entity that could support a pathway for a potential integrated West-wide RTO.

### **Question 2. Phase 1 Structure and Process Feedback**

Phase 1 of the Initiative, and any future phases, must provide fair representation for all types of market participants and interested parties. This representation will ensure that any new regional Western market establishes policies and operates in a fair and non-discriminatory manner to foster competition and unlock the greatest benefits. The undersigned have extensive experience in designing, participating in, and leading centralized wholesale electricity markets spanning over twenty-five years. We look forward to participating in this effort.

### **Question 3. Phase 1 Scope**

Joint Competitive Stakeholders strongly agree that discussions on governance options, including form, mission, and scope of any independent entity, is a critical first step. Ideally, the first deliverable is a conceptual framework that allows for discussion and feedback with stakeholders including our sector. The second set of deliverables could include draft governing documents consistent with that vetted conceptual framework. It will be key to establish a sound governance framework and good governance principles in Phase 1 to be used in implementation by the founding board in Phase 2.<sup>1</sup> Joint Competitive Stakeholders request more detail from the coalition about the nature and longevity of the “founding board,” given the speed with which this board would be formed, in contrast to the lengthy time it has taken other western entities with sector-based nominating committees to recruit, nominate, and select new independent governing bodies.

### **Question 4. Stakeholder Engagement Model**

The Initiative should afford stakeholder engagement in Phase 1 and any future phases, while maintaining the desired efficient timeline. Any organization providing RTO services must be established consistent with Federal Energy Regulatory Commission’s Orders on RTO formation, governance, and operations in Orders No. 2000 and 719. This includes fair representation of all market participants and interested parties. This initiative can leverage lessons learned from other Western regional governance structures<sup>2</sup> or from regional governance structures in other FERC jurisdictional markets<sup>3</sup>. Defining a successful stakeholder engagement model for this new Western entity will be a key deliverable of Phase 1. Initially, we support moving forward with a less structured stakeholder engagement model to facilitate working on

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<sup>1</sup> Some undersigned joint competitive stakeholders are active, and plan to remain active, in parallel efforts through the California ISO and the Southwest Power Pool (SPP), respectively, that would result in new day-ahead market service offerings in the West. To be clear, these stakeholders do not view participation or partnership in exploring a West-wide pathway, as proposed by the coalition, to be mutually exclusive with continued earnest participation in either of those alternative pathways.

<sup>2</sup> For example, the Western Energy Imbalance Market, the Extended Day-Ahead Market initiative, SPP’s Markets+ initiative, and the Western Resource Adequacy Program.

<sup>3</sup> For example, ISO New England, New York ISO, PJM, SPP, Midcontinent ISO, and Electric Reliability Organization of Texas.

the conceptual framework. Any stakeholder model must provide opportunity for open dialogue and collaboration on the deliverables with all sectors, including the competitive sector.

The Joint Competitive Stakeholders look forward to engaging with you in this effort and appreciate the coalition's leadership in proposing this Initiative.

Sincerely,

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