

## **West-Wide Governance Pathways Initiative Stakeholder Process**

August 16, 2024

Arizona Public Service (APS) appreciates the opportunity to provide feedback for the stakeholder process developing in Step 2 of the Pathways Initiative and offers the following responses to the questions posed.

### *Regarding Workshop #2 Topics:*

1. Consensus among market participants and stakeholders should drive most if not all of stakeholder processes. Regarding policy topic selection and when a list of competing priorities exists, RO staff should facilitate consensus building among stakeholders to determine whether priorities are entertained or discarded.
2. Any market stakeholder or participant or RO staff member should be capable of presenting problem statements and solution ranges.
3. RO staff members should assume administrative responsibilities for communications. In a stakeholder-led workshop, market participants and stakeholders, selected workshop leaders, and RO staff members should be capable of moving agenda items forward. However, consensus from participating stakeholders should be required as a prerequisite for such an action.
4. Topics should be subjected to a stakeholder-driven process through delegation (by other workshop groups or higher order structures of governance in the new RO) or by consensus among market participants and stakeholders.

### *Regarding Workshop #3 Topics:*

5. Sector-based representation should be established in the new RO. APS values transparent representation by sector and region.
  - a. Sectors (and possibly regions) should include weighting for voting purposes. Weighting should reflect differences in responsibilities that entities hold to follow market rules and ensure the reliability of the market. In this way, weighting should offer deference to market participants who are load serving entities.
  - b. Sector designations that are not used for voting purposes support transparency goals with any governance structure.
6. Stakeholder engagement should include the ability to vote. Minority opinions should always be documented and made transparent.
  - a. Market participants and stakeholders and RO staff should be able to prescribe a need for initiating a vote. Consensus among the workgroup or stakeholder governance level should then be needed to launch a vote.
  - b. Voting should be able to be scheduled on an as-needed basis and/or at the conclusion or decision point of an issue.

- c. Voting should be indicative, especially if the role of stakeholders in the larger governance process is advisory.
- 7. The RO should include a standing stakeholder committee that represents all market participants and stakeholders who have executed a participation agreement. The standing stakeholder committee should function as the highest authority for stakeholder recommendations. The standing committee should hold an ability to initiate, on an as needed basis, any ad hoc committees to address specific issues identified by participating stakeholders or RO staff.