

August 8, 2024

Advanced Energy United (United) appreciates the opportunity to provide feedback on the RO Formation and Governance proposal put forth by the West-Wide Governance Pathways Initiative Launch Committee. United is a business association whose purpose is to advance and promote the common business interests of its member companies and the advanced energy industry as a whole. United is comprised of around 100 companies both large and small across the technology spectrum, including renewable generation, energy efficiency, demand response, energy storage, electric vehicles, advanced metering infrastructure, transmission and distribution equipment, and energy software. United's membership also includes large purchasers of advanced energy technologies and services who are looking to achieve their business sustainability goals. United provides critical data and perspective about how technologies, processes, and systems can work together to address key issues facing the energy system in its transition to 100% clean.

Regional Organization Governance Question #7:

The Work Group is developing a draft RO Board selection procedure that started with the current WEM GB selection process. Specific issues for stakeholder input include:

- Number and definition of nominating committee sectors
- Board knowledge and skills requirements
- Use of Formation Committee as approval body for initial board selection
- Restriction on number of current WEM GB members that can transition to the new RO Board

Please share your thinking on the proposal and any alternative proposals for how these issues can better be addressed.

Response:

1. United strongly supports defining nominating committee sectors of appropriate scope that reflect the current and evolving energy landscape in the West. As has been expressed in several of the workshops conducted so far, some of the sector definitions in existing markets are large enough to lead to certain members of those sectors being unrepresented or unheard in various processes. This is a particularly acute issue for providers of distributed energy resources (DERs) in wholesale markets.

DER providers are currently included in the "Suppliers and Marketers of Generation and Energy Service Providers" sector in the proposal, a category that also includes independent

power producers (IPPs). United's position is that the needs, interests, and operational requirements of DER providers and IPPs are sufficiently distinct to warrant having two separate sectors. There are examples in Eastern markets where participation models for DERs have included real-time telemetry requirements that may work for large-scale generation but are unnecessary and unworkable for DER providers. Similarly, rules about length of dispatch are very salient for DER providers but largely unimportant for IPPs.

As a way of addressing these distinct interests and ensuring fair representation, United proposes splitting the "Suppliers and Marketers of Generation and Energy Service Providers" sector into two, an "Independent Power Producers" (or similar) sector, and a "Technology Providers" (or similar) sector that can include DER providers as well as any other technologies that are not well-captured by the IPP sector.

2. United also strongly supports ensuring that the RO Board has expertise related to advanced energy technologies (see opening paragraph for examples) and the energy transition. As noted above, the energy landscape in the West is dynamic, and it will be critical for the Board to have sufficient experience and background to evaluate how energy technologies of all kinds will interact with the market in a rapidly evolving landscape. United proposes adding an additional category of expertise to the Executive Search Criteria, "Advanced Energy Technologies" (or similar). This category could include former executives of advanced energy companies, academics or consultants with expertise in advanced energy technologies, or other such background as the Launch Committee deems appropriate to achieve the goal.
3. Lastly, United recommends that the initial RO Formation Committee consist of up to eight members of the Launch Committee, rather than five. These eight members, plus a state regulator and a member of the WEM Governing Body, would result in a maximum of 10 members on the Formation Committee. This is also the maximum proposed size of the Nominating Committee and would allow the Formation Committee to better reflect both the diversity of perspectives already included on the Launch Committee and the ultimate diversity of the Nominating Committee.

Thank you for the work on this proposal and the opportunity to provide comment.

Sincerely,

Leah Rubin Shen, Managing Director

Advanced Energy United

