



RE: Regional Organization (RO) Formation and Governance

Dear West-Wide Governance Pathways Initiative,

As a member of the Large Commercial & Industrial Customer Sector, the Clean Energy Buyers Association (CEBA) offers these comments supporting the recent work the West-Wide Governance Pathways Initiative's (Pathways Initiative) has done to refine its Step 2 Proposal. In particular, we appreciate the use of public workshops to explore a diversity of viewpoints and collect broad stakeholder feedback. We've found the Pathways Step 2 Workshop series to be informative and effective.

In reaction to the recent workshop exploring Regional Organization (RO) formation and governance issues, CEBA offers some feedback on open questions related to the proposed RO board selection process. CEBA's *Organized Wholesale Market Principles*¹ express our position that markets best deliver durable benefits when rules, operation, and governance are conducted clearly, consistently, and fairly. Board selection and composition are critical governance elements considering the influential oversight function boards provide within market governance. Board composition should therefore reflect the perspectives of all stakeholders.

- **Number and Definition of Nominating Committee Sectors:** CEBA supports the current proposal to establish an eight to ten member nominating committee that includes large energy customers as its own sector with a representative. End-use customers should be ensured access, a stake, and a role commensurate to that provided to other stakeholders. Providing consumer advocates, who often represent retail customers, and large energy customers, who are often sophisticated power purchasers, with separate sectors recognizes the differences between these groups. While these sectors are appropriate for the nominating committee, they may not necessarily be reflected in the stakeholder process, if it elects to use sectors. That proposal is still being developed and CEBA will comment on the use of sectors within a stakeholder process separately.

CEBA supports allowing each sector named to determine their own methods for selecting a representative to the nominating committee and for resolving issues, with RO management as the backstop when disagreements cannot be resolved. However, we suggest the RO proactively plan to assess how well this framework performed after the first board is seated, collect feedback across sectors, and publicly report that feedback.

¹ Please see: https://cebuyers.org/wp-content/uploads/2022/09/CEBA_buyers_organized_wholesale_market_design_principles.pdf



- **Board Knowledge and Skills Requirements:** CEBA supports the proposed executive search criteria as it targets balanced representation covering electric industry experience, market expertise, general corporate/legal/financial knowledge, and public interest backgrounds. Public interest background is described as including executives of consumer organizations and/or consumer affairs officials, which should encompass large energy customers as well as residential customer classes.

CEBA generally supports the broader proposal put forward. We look forward to reviewing the input of other stakeholders and welcome further refinement as needed. We have focused narrowly here on board nomination and composition as a diverse and transparent board selection process is necessary to ensure all stakeholders are involved and confident that market governance is fair. Finally, we thank the Launch Committee's working group on RO Formation and Governance for their hard work and transparent deliberation of various options.

Sincerely,
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About CEBA

CEBA is a business trade association that activates a community of energy customers and partners to deploy market and policy solutions for a carbon-free energy system. CEBA's more than 400 members represent more than \$7.5 trillion in annual revenues and 18.5 million employees and include institutional energy customers of every type and size – corporate and industrial companies, universities, and cities. CEBA's members include one-fifth of the Fortune 500.

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