



EIM Body of State Regulators Monthly Update

Letha Tawney

Kris Raper

Alaine Ginocchio

Teleconference

January 8, 2021



Agenda

- Welcome
Commissioner Letha Tawney, BOSR Chair
- Update on BOSR Funding
Alaine Ginocchio, WIEB staff
- GRC Revised Proposal and Discussion of BOSR Comments
Commissioner Kris Raper, BOSR Representative on the GRC
- Next Steps and Announcements
Commissioner Tawney



BOSR Funding

- BOSR approval unanimous
- WIEB Board approval in progress
- Standard contract is undergoing legal review by State Regulated Market Participants (SRMPs)



EIM GRC Revised Proposal

- Purpose of Governance Review: Adjust EIM governance as necessary to account for significant growth of EIM and to facilitate possible further expansion through EDAM
- GRC issued Scoping Paper (Feb. 2020), Straw Proposal (July 2020), and now, Revised Proposal (Dec. 2020).
- Based on comments, GRC is developing recommendations for potential improvements to the governance structure.
- Expect one more round of refinements before GRC submits recommendations to the EIM Governing Body and CAISO Board (Q1 2021).



BOSR Comments

- GRC requests comments to Revised Proposal by Friday, January 22, 2021
- Staff sent BOSR Summary of GRC Recommendations on January 7
- **Today discuss key issues**
- Staff will draft comments based on today's discussion and distribute draft comments to BOSR on Tuesday, January 12.
- Work through remaining issues via email and comments on the draft comment document



EDAM Postponed

- EDAM stakeholder activities postponed until Q2 of 2021
- GRC recommends reconvening later to re-evaluate governance improvements related to EDAM.
- How this affects the GRC's Revised Proposal: At this time, only submitting recommended refinements necessary for EIM governance.
 - Examples of issues to re-evaluate when EDAM design is further along:
 - Delegation of authority (scope of authority)
 - Governing Body mission statement



Delegation of Authority Currently

- Four types of authority: primary; advisory; and two hybrids (motivated by EIM and not motivated by EIM)
- Four different paths through the approval process
- Scope of approval authority is limited to rules primarily affecting or driven by EIM. Otherwise, does not include other real-time market rules.
- Issues
 - Complex framework with potential to lead to procedural conflicts and unexpected outcomes
 - Reality is that EIM and broader real-time market are integrated



Delegation of Authority GRC Proposal

Proposal: Joint authority over a broader scope of rules

- Joint Authority means the proposal must be approved by a majority of each body: EIM Governing Body and CAISO Board of Governors
- Applies to all EIM and real-time market rules except CAISO-only topics (e.g., transmission planning, generator interconnection, etc.)
- Eliminates four authority categories and four paths to approval
- Generally (but not universally) supported, including the BOSR



Delegation of Authority CAISO-only exception

Option 1: Joint authority extends over all proposed changes to the market design or market rules that apply to the Energy Imbalance Market or the Real Time Market, except for any such rules that apply either

- (i) only to the CAISO controlled grid or
- (ii) only to the CAISO balancing authority area.

This exception is broader than Option 2. For example, under Option 1, system market power mitigation would likely be excluded from the Governing Body's joint authority.



Delegation of Authority CAISO-only exception

Option 2: Joint authority extends over all proposed changes to the market design or market rules that apply to the Energy Imbalance Market or the Real Time Market, except for any such rules that apply either

(i) only to the CAISO controlled grid or

(ii) only to the CAISO balancing authority area that are related to reliable operations (e.g., rules relating to resource adequacy, reliability must run contracts, the capacity procurement mechanism, or ancillary services).

This exception is more limited than Option 1. Provides broadest scope for Governing Body's joint authority.



Delegation of Authority BOSR Comments

Option 1: Joint authority extends over all proposed changes to the market design or market rules that apply to the Energy Imbalance Market or the Real Time Market, except for any such rules that apply either i) only to the CAISO controlled grid; or ii) only to the CAISO balancing authority area.

Option 2: Option 1 ii) only to the CAISO balancing authority area that are related to reliable operations (e.g., rules relating to resource adequacy, reliability must run contracts, the capacity procurement mechanism, or ancillary services).

Option 3: Generally support increasing the scope of the Governing Body's authority without choosing Option 1 or 2 above.



Resolving Possible Deadlocks GRC Propossal

- When the two bodies cannot agree
 - Go back through stakeholder process
 - If still not in agreement, option of going back through stakeholder process again or have CAISO file dual proposals at FERC.
 - The proposal can be abandoned at any time by a majority vote of both bodies to do so.
- Generally supported, including the BOSR



Resolving Possible Deadlocks

Dual Filing at FERC

- CAISO will prepare a combined filing that sets forth both alternatives
- FERC will be limited to choosing one of the two options (no mixing and matching)
- Will not apply if Governing Body has a proposal the Board does not support and the Board does not have an alternative proposal to file
- According to CAISO, this does not present a conflict of interest for CAISO lawyers
- FERC allows this procedure for ISO New England. PJM applies true “dual filing” and employs outside council to file one of the competing proposals.



Dual Filing at FERC BOSR Comments

Option 1: Conditionally support the combined filing as an option, but pose some questions and suggest the exploration of other options including the use of outside counsel to file the Governing Body's proposal.

Option 2: Support the combined filing as it is proposed with one potential change. Suggest the exploration of an option that the Governing Body, in their discretion, may use outside counsel.

Option 3: Remain silent.



Selection of Governing Body Members Proposal

- Make public interest organizations' representative a voting members on the Nominating Committee
- Permit 60-day hold over period for outgoing Governing Body members
- Emphasize diversity in the selection of members (geographic, ethnicity, gender, personal and professional backgrounds and life experience)
- Generally supported, including BOSR



Changes to Regional Issues Forum (RIF) Proposal

- Allow RIF to address topics that are part of ongoing CAISO stakeholder process
- Allow RIF to continue to develop its own rules and procedures
- Formalize RIF update as standing agenda item at Governing Body meetings
- Modify sector representation on RIF
- Generally supported, including the BOSR



Liaisons to BOSR Proposal

- Support inclusion of non-voting PMA and PP liaisons to BOSR
- Liaisons will actively participate in discussions
- “No more than three” liaisons: one from PMA and two from public power entities considering diversity
- Ultimately this is the BOSR’s decision and would be implemented by the BOSR
- Generally supported, including the BOSR. The BOSR previously stated preference for two liaisons.



Liaisons to BOSR

BOSR Comments

- **Option 1:** Given the diversity in the public power sector, the BOSR recognizes the value in three liaisons: two from Publicly Owned Utilities (POUs) and one from a Power Marketing Administration (PMA). The BOSR appreciates the input provided through the GRC process. The BOSR will move forward with the bylaw changes necessary to implement this proposal.
- **Option 2:** Support the proposal but with two liaisons: one from a PMA and one from a POU.



Next Steps

- Comments due Friday, January 22, 2021
- Working with BOSR leaders, staff will draft comments based on today's meeting
- Staff will send draft comment document to BOSR for review by Jan. 12
- BOSR will work through comments via email Jan. 12 - 19
- Final version will be submitted to GRC on Friday, Jan. 22



Upcoming BOSR Meetings

BOSR Monthly Update Teleconference

Second Friday of Every Month at 10:00 AM MT / 9:00 AM PT

Next Meeting: February 12, 2021 at 10:00 AM MT / 9:00 AM PT



Information or Questions

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