TO:	West-Wide Governance Pathways Initiative Launch Committee
FROM:	Western Energy Markets Body of State Regulators
DATE:	September 9, 2026
SUBJECT:	Comments on the ROWE Board Briefing Book

The Western Energy Markets (WEM) Body of State Regulators (BOSR) is a self-governing, independent body composed of one commissioner from each state regulatory utility commission in which a load-serving regulated utility participates or plans to participate in the California Independent System Operator's WEM, which includes the Western Energy Imbalance Market or Extended Day-Ahead Market (EDAM). This includes the states of Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, South Dakota, Utah, Washington, and Wyoming. The BOSR also currently includes two liaisons representing consumer-owned utilities and one liaison representing federal power marketing administrations.

The BOSR appreciates the substantial work undertaken through the West-Wide Governance Pathways Initiative (Pathways Initiative) to develop an independent regional governance structure for the Western electricity markets. BOSR recognizes the significant contributions of the Pathways Formation Committee, Launch Committee, stakeholders, and others who have advanced this effort since its inception. The Pathways Initiative was launched in 2023 following efforts by state regulators, including current and former BOSR members, to advance a more independent and durable approach to regional electricity market governance. BOSR appreciates the work undertaken by all participants over the course of the initiative and the progress made toward establishing the Regional Organization for Western Energy (ROWE).

As the ROWE governance and corporate framework moves toward implementation, BOSR believes it is important that the roles and responsibilities of the various entities within that framework be clearly and consistently defined. In reviewing the ROWE Board Briefing Book, BOSR has identified several instances where definitions and descriptions of BOSR's role are inconsistent or incomplete. In particular, BOSR's role as a voting representative on the Nominating Committee is not explicitly and consistently reflected throughout the documents. BOSR's comments below focus on Chapter 2: Corporate Organization and Governance, Chapter 3: ROWE Governance Tariff, Chapter 4: Market Oversight and Data Access, Chapter 5: Budget and Finance, and Chapter 8: Stakeholder Process. Within these chapters, BOSR provides recommendations intended to address these inconsistencies, avoid ambiguity, and ensure that BOSR's role is clearly and consistently established throughout ROWE's governance structure. BOSR plans to engage with the inaugural ROWE Board on all matters of interest to state regulators. Furthermore, as the ROWE governance structure and regional electricity markets continue to evolve, BOSR believes its role should be periodically evaluated and adapted as appropriate to ensure state regulators continue to have a meaningful and effective role in matters within their regulatory and public interest purview.

Chapter 2: Corporate Organization and Governance

BOSR appreciates the reference in the Action Plan to working with the BOSR as part of the Board's outreach through the Public Policy Committee. This recognition is important given the BOSR's distinct role in representing the collective views of state regulators.

However, as noted in BOSR's comments on Chapter 3: ROWE Governance Tariff below, BOSR is not consistently identified throughout the corporate and governance documents as an entity with which the Public Policy Committee should engage. BOSR recommends that the governance framework consistently recognize the BOSR as a resource for the Public Policy Committee and the Board on matters involving broader state regulatory and public interest considerations. Please refer to BOSR's comments to Chapter 3 for greater detail.

Chapter 3: Draft ROWE Governance Tariff

BOSR recommends the following changes to Chapter 3 of the Draft ROWE Governance Tariff.

Section 2.1 — Definitions

BOSR recommends incorporating the following language, highlighted in red, into the definitions:

> *Body of State Regulators or BOSR:* the group of state regulators, consisting of representatives from each Participating State, which will participate in ROWE's processes for policymaking and Tariff modifications. *The BOSR will also have formal voting on the Nominating Committee.*
>
> *Nominating Committee:* the committee that is created and operates pursuant to the Bylaws and Selection Policy, which is not a committee of the Board, to nominate candidates to serve on the Board*. The Nominating Committee will include voting representatives from designated market sectors as defined by the Stakeholder Representatives Committee, voting representation from the Body of State Regulators, and a non-voting member of the ROWE Board.*

Because the current definition of "Nominating Committee" in the ROWE Bylaws does not expressly identify the BOSR's formal voting role on the Nominating Committee, BOSR recommends that this role be expressly reflected in the Governance Tariff definition. Doing so would help to provide clarity regarding BOSR's formal representation on the Nominating Committee.

> *Public Policy Committee:* A committee of the Board specified in the Bylaws consisting of members of the Board of Directors, which shall engage with Participating States and their designated representatives, local power authorities, federal power marketing

administrations, the Consumer Advocate Organization, *the BOSR, Tribal governments*, and other stakeholders about potential impacts of policy initiatives and Tariff revisions on state, local, *tribal* or federal policies and advise the Board of Directors of these impacts before the Corporation approves Tariff changes for filing at the FERC.

Section 4.1.1.2

BOSR recommends the following changes to Section 4.1.1.2

> The Board shall consistently acknowledge and, ~~where practicable~~, approve tariff changes, rules, or business practices that respect ~~and do not unduly burden~~ Participating States' achievement of state or local policy objectives, including procurement, resource adequacy, environment, reliability, and other consumer interests. The Board shall ~~minimize~~ avoid adverse impacts of revisions to its Tariffs, rules, and business practices on Participating States' policy objectives.

The draft tariff language does not fully align with AB 825's requirement that ROWE governance documents "respect the authority" of each State to establish its own procurement, resource adequacy, environmental, reliability, and public interest policies. The Tariff's qualifiers—"where practicable," "do not unduly burden," and "minimize adverse impacts"—could allow the Board to approve policies that adversely affect or burden State policy objectives. Therefore, the BOSR recommends the language be changed to more clearly protect State authority and preserve States' ability to determine whether and how to participate in products affecting these areas.

Section 4.2 — Nominating Committee

BOSR recommends including the following language, highlighted in red, to Section 4.2:

> The Bylaws establish a standing Nominating Committee comprised of stakeholder representatives *and BOSR representation* to select Board members, subject to approval by the Board. The actions of the Nominating Committee, including the determination of search criteria, shall be in accordance with the Bylaws, Board Selection Policy, and any other policies or procedures subsequently adopted. The Nominating Committee shall not be deemed a committee of the Board of Directors but rather shall be advisory in nature.

Additionally, BOSR recommends that the Selection Policy and related governance documents expressly and consistently establish the BOSR representative as a formal voting member of the Nominating Committee. The ROWE Board should ensure that this formal voting seat is unambiguously established and consistently reflected across the applicable governance documents.

Section 4.3 — Public Policy Committee

BOSR appreciates the recognition in the Section 4.3 of the draft ROWE Governance Tariff that the Public Policy Committee will conduct outreach to BOSR on matters within the BOSR's public interest and state regulatory purview. This recognition is important to ensure that the BOSR is consistently identified as an entity with which the Public Policy Committee should engage on such matters. BOSR recommends that the governance framework consistently recognize the BOSR as a resource for the Public Policy Committee and the Board on matters involving broader state regulatory and public interest considerations. In particular, the Board and Public Policy Committee should consult with the BOSR on matters that may have significant implications for the broader interests of participating states.

However, the definition of Public Policy Committee does not expressly identify the BOSR as an entity with which the Public Policy Committee should engage. Consistent with the recommendation above, BOSR recommends that the Committee's responsibility to engage with the BOSR be expressly reflected in the applicable definition and governance provisions.

More broadly, while the Public Policy Committee appears intended to address the AB 825 requirement for state policy input, the draft tariff does not clearly define how such input will be solicited, considered, and incorporated into the ROWE governance process. Additional details would be helpful, and BOSR recommends that the proposed process be vetted with BOSR to ensure it appropriately accounts for state regulatory processes and considerations beyond those addressed through the California Public Utilities Commission AB 825 proceeding. California will not be the only state whose regulatory processes or approvals may be relevant to regulated entity participation in the ROWE. This process should be clearly set out in the governance documents.

BOSR proposes the following changes be made to the language of 4.3.1

> 4.~~2~~3.1 Purpose and Role. The Board shall appoint a Public Policy Committee to conduct outreach to key points in the stakeholder process to states, local power authorities, *BOSR*, tribes, and federal power marketing administrations to collect input about the potential for any proposed initiatives ~~Market Initiative~~ to have adverse impacts on a state, local, or federal policy or whether a proposed initiative could impede their policy goals. The input collected by the Public Policy Committee shall be presented to the full Board before it votes on Market Initiatives.

Section 4.5 — Body of State Regulators (BOSR)

BOSR appreciates the Formation Committee's inclusion of the BOSR's role on the Nominating Committee in Section 4.5.1 of the Draft ROWE Governance Tariff. This provision appropriately recognizes the BOSR's role in ROWE governance.

As noted above, however, BOSR's role on the Nominating Committee is not consistently defined or acknowledged throughout the corporate and governance documents and is not expressly stated in the Bylaws.

Section 4.5.2 — BOSR Funding

BOSR appreciates the proposed transition of BOSR funding to the ROWE Tariff. Consistent with the WEM BOSR's independent staffing structure through the Western Interstate Energy Board (WIEB), WEM BOSR recommends that ROWE work closely with WIEB, in coordination with the WEM BOSR, to develop and implement a just and reasonable and non-discriminatory funding structure. In particular, the funding framework should recognize WIEB's role in administering the BOSR's annual budget and provide for appropriate coordination with BOSR in the development of that budget and the identification of the resources necessary to support BOSR's ongoing activities. This approach would help ensure continuity in BOSR's independent staffing and preserve the ability of BOSR and WIEB to determine the resources necessary for BOSR to effectively fulfill its role within ROWE.

Chapter 4: Market Oversight and Data Access

BOSR appreciates the detail provided in Chapter 4 Section D on the existing ability state commissions have to access market data via the CAISO Department of Market Monitoring. The WEM BOSR recommends that Section D also explicitly states that the ROWE BOSR will have access to market data and analysis necessary to fulfill its duties and responsibilities. The ROWE should coordinate directly with BOSR to ensure that the appropriate scope and level of data is available to support BOSR's role as the regional states committee.

Additionally, the Pathways Step 2 Proposal recommended expanding the criteria for selecting Market Surveillance Committee (MSC) members to include expertise in consumer issues and the public interest. This expansion would help ensure that the MSC considers the potential costs and impacts of market policies on end-use consumers as part of its analysis. However, through discussions with the CAISO and the DMM, the workgroup determined that expanding these criteria may not be practicable for all MSC members given the committee's existing purpose and scope of work. Nevertheless, BOSR recommends that the MSC selection criteria include experience with consumer issues and public interest expertise for at least one member, or for at least one-third of the MSC members if the MSC is expanded. The MSC should maintain its current purpose and scope of work while ensuring that at least one member brings a consumer and public interest perspective to the evaluation of market issues, including consideration of opportunities to minimize overall costs to end-use consumers.

Chapter 5: Budget and Finance

Building on the funding proposal described in Chapter 3, Section 4.5.2, BOSR would like to reiterate its appreciation of the proposed transition of BOSR funding to the ROWE Tariff. As previously mentioned, consistent with the WEM BOSR's independent staffing structure through

WIEB, WEM BOSR recommends that ROWE work closely with WIEB, in coordination with the WEM BOSR, to develop and implement a just and reasonable and non-discriminatory funding structure. In particular, the funding framework should recognize WIEB's role in administering the BOSR's annual budget and provide for appropriate coordination with BOSR in the development of the budget and the identification of the resources necessary to support BOSR's ongoing activities. This approach would help ensure continuity in BOSR's independent staffing and preserve the ability of BOSR and WIEB to determine the resources necessary for BOSR to effectively fulfill its role within ROWE.

BOSR would also like to clarify that the proposed 2028 BOSR budget included in Chapter 5 of the Board Briefing Book is preliminary. The approximately $700,000 budget figure contemplated during the 2025 Pathways discussions was developed at a conceptual stage of ROWE development and may not fully reflect the resources necessary to support BOSR's anticipated responsibilities and engagement with the final ROWE. BOSR anticipates that its resource needs will grow as the market design evolves to include more functions of critical importance to state regulators, such as a resource adequacy mechanism, and as the market becomes more complex. Accordingly, BOSR believes this figure should serve as a baseline for a more detailed and accurate budget development process leading into ROWE's first budget cycle. Therefore, BOSR recommends that the funding framework and budget continue to be developed in close coordination with both WIEB and BOSR to ensure that the BOSR has the resources necessary to fulfill its role effectively, independently, and sustainably.

Chapter 8: Stakeholder Process

The WEM BOSR supports a stakeholder process that provides meaningful opportunities for stakeholders to develop, evaluate, and provide input on policy initiatives while preserving the ROWE Board's ultimate decision-making authority. Within that framework, BOSR believes state regulators should have a meaningful role in the ROWE stakeholder process while maintaining an appropriate distinction between the BOSR and the formal Stakeholder Representative Committee (SRC).

BOSR Participation in the Stakeholder Process

The ROWE BOSR should be an active participant in the ROWE stakeholder process on matters that it determines have public interest or state regulatory implications. Its participation should extend throughout the stakeholder process, including development of the Policy Initiative Catalog and Roadmap, individual policy initiative processes, and consideration of final policy recommendations by the ROWE Board. Consistent with the WEM BOSR's existing role, the ROWE BOSR should participate through written comments and direct advice to the ROWE Board. Through its consensus-based process, the BOSR would seek to develop and present a common position of state regulators to the Board. BOSR does not believe that meaningful participation requires the BOSR to be established as a formal sector of the SRC. The SRC is intended to provide a structured forum for stakeholder input, while the BOSR has a distinct role as an independent advisory body representing state regulators directly to the ROWE Board. Maintaining this distinction is appropriate and preserves the BOSR's ability to provide an independent state regulatory perspective throughout the stakeholder process.

Accordingly, BOSR supports participating in the stakeholder process as a non-SRC participant, as appropriate, including through written comments and the indicative voting process. The BOSR's participation in indicative voting would provide the ROWE Board with a clear indication of the views of state regulators without making the BOSR a formal SRC sector or incorporating its vote into the SRC's sector-based remand thresholds.

The BOSR represents the state regulatory entities as a group. The BOSR also supports individual states continuing to have the ability to participate independently in the stakeholder process to represent interests that an individual state may have separate and apart from the collective positions or views of the BOSR.

Additionally, the stakeholder process should also recognize that certain initiatives may have implications beyond the regional market, including potential impacts on state or local policies. If an initiative identified as potentially causing adverse impact on state or local policies is adopted as part of the Roadmap, the stakeholder process should include additional or heightened review.

BOSR Participation in Indicative Voting

BOSR supports the use of indicative voting as a means of informing the ROWE Board regarding stakeholder views. Because indicative voting is intended to inform, rather than determine, Board decisions, inclusion of a BOSR vote would provide useful information regarding the views of state regulators while preserving the Board's ultimate decision-making authority.

However, BOSR recognizes that its status as a non-SRC participant has particular significance under the proposed automatic remand framework. Because the BOSR would not constitute a formal SRC sector, the BOSR's vote would not count toward or independently trigger an automatic remand.

At the same time, BOSR asserts the stakeholder process should establish a defined mechanism for addressing circumstances in which the BOSR's position materially differs from the outcome of the SRC process. This mechanism would not create an additional automatic remand trigger or alter the SRC's voting thresholds. Rather, it would ensure that the distinct perspective of state regulators receives meaningful and transparent consideration before the Board takes final action. Specifically, where the BOSR submits a formal recommendation that materially differs from the outcome of the SRC process, the ROWE Board should be required to consider the BOSR's recommendation as part of its decision-making process. The Board's consideration should include the basis for the BOSR's position, the nature and significance of the divergence from the SRC outcome, and whether the divergence identifies an issue that warrants additional stakeholder consideration or other action. If the Board ultimately approves a proposal contrary to the BOSR's formal recommendation, the Board should explain the basis for its decision and how it considered the BOSR's position. This requirement would create a transparent record demonstrating that the state regulatory perspective was meaningfully considered, while preserving the Board's authority to make the final policy decision.

BOSR believes this approach appropriately balances the respective roles of the SRC, the BOSR, and the ROWE Board. It preserves the integrity of the SRC's voting and remand framework while ensuring that the independent views of state regulators are not effectively disregarded simply because the BOSR is not a formal SRC sector.

BOSR Written Positions in FERC Filings

BOSR also recommends that, where the ROWE Board approves a policy proposal on which the BOSR has submitted a formal written position, the BOSR's written position be included in the record accompanying the applicable FERC filing. This approach would not alter the ROWE Board's authority to determine the policy proposal submitted to FERC. Rather, it would preserve the state regulators' position in the formal regulatory record and provide appropriate transparency regarding the views considered by the Board in reaching its decision. The ability to preserve the BOSR's written position in the FERC record is particularly important where the BOSR's recommendation differs from the final position approved by the ROWE Board. It would ensure that the views of state regulators remain part of the record without requiring the BOSR to become a formal SRC sector or otherwise altering the stakeholder voting framework.

Role of the BOSR Should Be Revisited if the SRC's Authority Changes

BOSR's support for maintaining its status outside the formal SRC structure is premised, in part, on the proposed advisory nature of the SRC process and the ROWE Board's retention of ultimate decision-making authority. If the SRC's role or voting framework subsequently evolves such that sector votes have a more direct or binding effect on policy outcomes, materially constrain the ROWE Board's discretion, or otherwise become more determinative than currently proposed, the role of the BOSR should be revisited. In such circumstances, maintaining the BOSR entirely outside the formal voting structure could result in state regulators having a materially different level of influence than other stakeholder participants, notwithstanding the BOSR's distinct advisory relationship with the ROWE Board. BOSR therefore recommends that its role be reconsidered if the authority or function of the SRC materially changes from the framework currently proposed.

BOSR believes this framework provides state regulators with a meaningful, transparent, and durable role in the ROWE stakeholder and governance processes while preserving the intended functions of the SRC and the ROWE Board's ultimate decision-making authority. Establishing these roles clearly and consistently across the ROWE's governing documents will help ensure that the framework remains effective and understood as ROWE's governance structure develops.

Conclusion

BOSR appreciates the Launch Committee's time and consideration of these comments and the opportunity to provide its perspective at this phase, and within the ROWE Board Briefing Book, as the ROWE governance framework continues to take shape. BOSR also recognizes and appreciates the substantial work undertaken to date by the Formation Committee, stakeholders, and all others involved in this important effort. BOSR looks forward to continuing to work collaboratively as the ROWE framework is finalized and appreciates the continued consideration of the state regulatory perspective throughout this process.