

Comments: Pathways CAISO Issues Workshop

The Utah Office of Consumer Services and the Wyoming Office of Consumer Advocate offer the following limited comments. While we are not authorized to represent the positions of any other Western consumer advocates, the positions are informed by discussions with some of the other non-California consumer advocate offices.

CAISO Issues

1. Structure: Should the RO be an organization that primarily consists of a policy-setting board (Option 2) or an organization that formally offers and bears ultimate responsibility for market services (Option 2.5)?

We believe that an RO with a policy-setting board is a good next step in the evolution of Western markets but support continued efforts to evolve toward the additional independence associated with Option 2.5. As indicated below, we also acknowledge the importance of having additional information about the relative cost and liabilities associated with the two options.

2. RO-CAISO relationship: Should the RO's contract with the CAISO be a governance-focused interface agreement (Option 2) or a contract for services from a markets vendor (Option 2.5)?

It would be preferable to have a contract for services from the perspective of independence and positioning for future offerings. However, as we indicate in other answers below, the relative cost and risk difference need to be further evaluated.

3. Cost: How important to you or your organization is implementation cost in evaluating Option 2 versus Option 2.5?

The implementation cost is an important factor. Understanding the cost and risk differences between the two options is essential to develop a well-informed position on whether Option 2 or 2.5 is preferred.

4. Independence: How valuable is the increment of institutional independence gained in Option 2.5 relative to Option 2?

In general, we prefer more institutional independence and highly value the incremental difference between the two options. However, more information on cost differences is necessary to understand the relative value.

5. Responsibility: Do you have any feedback on the level of institutional responsibility the RO would bear in Options 2 and 2.5, as outlined in this presentation?

No additional comment at this time.

6. Liability: Are there any particular aspects of financial liability borne by the RO in Options 2 and 2.5 that you would like to raise or address?

No comment at this time.

7. Evolution: Does either option offer a durable institutional home to oversee or host services beyond energy markets?

In general, Option 2.5 appears better suited to both oversee and/or host services beyond energy markets.

8. Given the potential time needed to rework market-related contracts and establish sufficient contingency reserves, among other matters, do you perceive value in a Step 2 approach that would begin with Option 2 and then transition or evolve to 2.5?

Yes.

Tariff Analysis

We take no position on the tariff analysis at this time.

General Feedback

No additional feedback at this time.