West-Wide Governance Pathways Initiative

<u>**Stakeholder Comment Template: Stakeholder Process**</u>

The Launch Committee has identified several specific areas that would be valuable to receive input to help refine this area of the Step 2 Proposal. All feedback is welcome, but responses to the following questions would be particularly helpful:

Workshop #2 Topic: **How could issues and solutions before the Regional Organization get raised? Who leads?**

1. Policy topic selection: who selects among a list of competing priorities for stakeholder attention?

    a. Staff should present priority projects to the Board, so that the Board can provide guidance to the organization on prioritization. Some items are not matters of discretion, such as FERC and NERC compliance matters. However, Staff's proposal should be informed by market participant views and positions. Staff should solicit member feedback and asked for input on prioritization. Market Participants and Staff feedback should include context like materiality (cost to implement and costs for failure to implement), if the issue represents a barrier to participation and time to implement.

2. Originating policy framing: who first presents a problem statement and solution range?

    a. Both Staff and Market Participants should be able to bring issues forward. Originating policy framing should not be the exclusive domain of either entity.

3. Stakeholder-led workshops: who has responsibility for facilitating discussion and moving an agenda forward?

    a. The "mover" of the issue has the responsibility for facilitating discussion and presenting to the committee or stakeholder group. The "mover" should also have the responsibility for facilitating discussion of the subject among various stakeholders to allow for consideration in advance of voting. This includes inside and outside of formalized committee meetings or stakeholder meetings.

4. Selectivity of bottoms-up stakeholdering: how often and (possibly) through what nomination process are topics subject to a stakeholder-driven process?

    a. Several organized markets have a policy prioritization process to get issues on a roadmap for implementation. Have a formalized roadmap and selection process, through stakeholder voting, is a good process, recognizing that issues arise along the way that may need to be accommodated.

Workshop #3 Topic: What could a sector-based committee and voting structure add?

5. Sector definitions: Should sectors be established? If so, how should they be defined?

    WWGPI has done a great job of inviting many voices and perspective to these discussions through the Selection Committee and forming sectors to allow for representation. This process has been extremely collaborative and extremely productive. I think having more sectors is a better design than trying to overly condense sectors so that it eliminates perspectives in the conversation. For example, combining load serving entities and marketers and energy service providers into one sector may seem logical; but, the business models and goals of each of these

entities are very different and could be in conflict with one another at any given time. Load serving entities have obligations to serve their end-users; marketers want to sell as much energy as possible and energy service providers are interested in providing customized solutions to customer problems, that could include reducing electricity consumption, which may affect the relationship between the marketer and the LSE and could create customer relationship concerns between the LSE and the ESP. This is one example of many that is becoming more complex because of new types of services and resources being developed all of the time. We can't afford to develop sectors like we did 20 years ago as if the changes in electricity generation and consumption are not occurring.

Some have argued that having fewer groups containing multiple interests is better because it forces collaboration. However, even with many sectors you have to force collaboration in order for any action to be successful in a voting context. You can only consider your own perspective. However, more sectors allows for those differing viewpoints to exist and allows for the rational behind those differences to be expressed. That will be more informative to the Board, the Executive team of the Regional Organization and other Market Participants.

Without having sector representation and the ability to express the opinions of the sector in written form, verbally or through voting, the concerns of the sector representatives can be overshadowed or completely drowned out by the more traditional and dominant sector representatives.

a. Should they be weighted for voting purposes? If so, how?

No.

b. What could be the value of sector designations outside of voting?

Bringing issues forward, educating other market participants, Staff, the Board on elements of the electricity sector that may be less visible or known. This gives those market participants a sense of enfranchisement in the process.

6. Voting: Should stakeholder engagement include voting? If so,

a. What kind of issues are selected to be voted on?

There are different kinds of voting. There needs to be an indication of agreement to advance, or not to advance, an issue to the Board for review and for voting, for example. There should be roll call votes of sector representatives from the Committee/Stakeholder Group that is the gatekeeper to the Board. If there is a hierarchy of Committees/Stakeholder groups, there should be an indication of agreement to advance in the more technical sub-committee meetings.

b. At what points in the process should voting be scheduled?

As mentioned above, in order for something to pass to the Board for consideration, there should be a sector, roll-call vote of the representatives of the sectors. If an issue is important enough for Board consideration, market participants and Staff should be willing to indicate their stance on the issue and it should pass by a majority of the sector representatives' votes. In advance of this stage, I think voting can be indicative.

c. Should voting be indicative or binding?

See answer above.

7. Standing and ad hoc committee status: what sort of forums or committees do sectors use to

organize themselves?

Generally, a market has committees by topic (reliability, transmission, supply adequacy) and sectors participate in issues that are cross sectional. However, some groups will self-organize to caucus in advance of voting meetings.

General feedback:

8. Do you have any additional feedback you would like to share with the Launch Committee on these topics?

Written comments are due on August 16, 2024. Please submit comments via email to Comments@WestWidePathwaysInitiative.org. Thank you in advance for your time and feedback. We look forward to receiving your comments and ideas.