Stakeholder Comment Template: Public Interest

Comments on behalf of the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities)

The Public Interest Work Group has identified a number of tools that in concert form a multi-faceted approach to protecting the public interest. Tools highlighted, in addition to current protections, may consist of the Regional Organization (RO) Board structure, the States Committee, Consumer Advocate engagement, the Stakeholder Process and a Market Monitor function.

1. Do you think the set of tools shared by the working group is comprehensive? If not, please share other tools that should be considered.

In general, the Six Cities concur in the identification of the range of tools identified during the workshop, including those that are inherent within the RO structure, as documented in governing documents. The role of the States Committee, the ability for consumer advocates to engage with aspects of the RO, the structure of the stakeholder process (assuming broad opportunities for stakeholder input), and effective market monitoring all serve to advance and protect the public interest.

2. Do you disagree with any of the tools shared by the working group? Are there any that should not be used to protect the public interest? If so, please share your rationale.

The Six Cities do not disagree with any of the identified approaches.

3. Do you agree with the tools shared to protect the public interest within the RO board? Do you have additional recommendations for consideration?

In concept, the Six Cities agree with these tools, as discussed on pages 9-10 of the Workshop slide deck. A robust stakeholder process will allow market participants and other stakeholders, including public interest organizations, to weigh in on policy and market design issues. The Six Cities have no concerns with the proposal for an annual meeting, involving the States Committee, focused on public interest issues. With respect to board member selection, the Six Cities do not believe that it is necessary to mandate the qualification of public interest experience as a prerequisite for members, but that this should be among the factors that may be weighed in the selection of candidates. Finally, transparency in decision-making of the RO Board, including adherence to open and public meeting principles, is important to protection of the public interest.

4. States Committee

a. Do you agree with the structure and governance proposed by the working group? Why or why not? Do you have additional recommendations for consideration?

The Six Cities agree with the proposal to preserve and maintain elements of the current Body of State Regulators ("BOSR") staffing and approach of self-governance and would not oppose consideration of potential language in a governing document, such as a charter, to provide for the protection of the public interest. The Six Cities also support retention of current funding approaches for the BOSR. On the topic of filings at the Federal Energy Regulatory Commission ("FERC"), the Six Cities believe that the concept of such filings by the States Committee would benefit from further discussion in a Straw Proposal, if the Launch Committee is considering an expansion or modification of existing filing authorities for the BOSR (or future States Committee).

b. How has your experience been with other markets' States Committees (BOSR, COSR, MSC, etc.)? Are there any considerations recommended for this working group?

The Six Cities do not have feedback on this question.

c. Do you agree with the role of public power/PMA proposed by the working group? Do you have additional recommendations for consideration?

The Six Cities support retention of advisory roles for public power representatives (and for a representative of the federal power marketing administrations) and agree with the concept of allowing these representatives to participate in voting.

d. How else might public power/PMA perspectives be incorporated?

At this time, the Six Cities do not have other recommendations regarding the inclusion of public power/PMA perspectives in the States Committee's activities.

e. Do you agree with the proposed relationship between the States Committee and the RO board? Do you have additional considerations or adjustments to the proposal?

At this time, the Six Cities do not support the proposal to empower the States Committee to require super-majority voting on matters before the RO Board. The RO Board should be required to consider input from the States Committee regarding decisional items that the States Committee chooses to address, but the RO Board should have the discretion to weigh the States Committee's input together with other information relating to the decisional item and to undertake a vote using standard procedures. Were the Launch Committee to proceed with including this proposed element of the States Committee's authority in a Straw Proposal, the Six Cities would not support the proposed one-quarter of states or one-quarter of load interests as a triggering mechanism for the super-majority voting requirement.

5. Consumer Advocates

a. Do you agree with the structure proposed by the working group? Do you think this is an effective means of engaging consumer advocates? Why or why not? Please share your rationale.

The Six Cities support the concept of state consumer advocate organizations having the ability to participate in the RO. For example, the Six Cities understand that state consumer advocate organizations today are not precluded from participating in CAISO stakeholder processes if such participation is consistent with their state roles and authorities.

The Six Cities do not support the ability of state consumer advocate organizations to obtain data and information from the independent market monitor, at least not to the extent that this proposal represents an expansion of existing rights and authorities. If adopted, there should be reasonable guardrails to ensure that the provided data and information is not specific to individual market participants and is subject to appropriate confidentiality protections, as discussed on slide 16.

In terms of creating a new Consumer Advocate Organization, the Six Cities understand that consumer advocates today may participate in a sector of the Regional Issues Forum, and the Discussion Document published in connection with the WWGPI Stakeholder Process Work Group includes a sector for consumer advocates with a seat on the proposed Stakeholder Representative Committee. These measures would seem to reduce the need for a separate organization, although this structure may not address these organizations' concerns with resources for participation in stakeholder proceedings. The Six Cities do not necessarily oppose formation of a new organization by these entities and/or the states, but much more detail would be needed regarding the funding and authorities of this organization. In particular, entities that are not subject to the regulatory oversight of the state commission or agency of which the consumer advocates organization is a part should not be required to participate in funding the organization.

b. Do you think this proposal is effective in protecting the consumer interest? Why or why not? Please share your rationale.

Please refer to the comments provided in response to subsection a.

6. Do you think the elements outlined in the presentation materials of the role of an Independent Market Monitor would be effective in helping to protect the public interest? If not, please explain your rationale and include any suggestions you can offer that would strengthen the role of an Independent Market Monitor.

The Six Cities support continuing roles for the Department of Market Monitoring, the Market Surveillance Committee, and the Market Expert (or successor entities) in the RO consistent with existing mandates, or potentially expanded mandates that align with these entities' responsibilities for market analysis and oversight activities. The Six Cities have not identified any needed changes to these entities' roles and authorities, including related to the public interest, and do not at this time support revisions to their mandates to include expanded consideration of public interest factors.

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

The Six Cities have no additional comments at this time.