

## Stakeholder Comment: Public Interest

On behalf of the NW Energy Coalition, Western Resource Advocates, the Union of Concerned Scientists, the Environmental Defence Fund, the National Resources Defence Council, and Renewable Northwest (Collectively the Public Interest Organization Commentors), please accept the following comments.

**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.

As an initial matter, the Public Interest Organizations have a long tradition of participating in energy policy making and regulation at the state and regional level across the west. We hear repeatedly from state-level PUCs across the region that our group's input regarding public interest goals like reliability and affordability along with the benefits of expanding customer-side resources, incorporating new clean energy generation technologies and meeting the clean air requirements in every state in the west provides valuable input for decision makers. The RO should continue and bolster this tradition.

The proposed tools focus on providing opportunities for state energy officials and consumer advocates to engage the RO. While very important, the PIO community's input is also valuable for protecting the public interest. Accordingly, we support the proposed tools and suggest adding an additional tool to directly facilitate non-governmental groups' and individuals' engagement with the RO.

We considered three options to ensure the consideration of the broader public interest:

1. Creating a public interest advisory council that directly advises the RO board (similar to structures in other RTOs),
2. Creating an Office of Public Participation that advises the public on how to participate in RO decisionmaking and thereby reduces barriers to participation, and
3. Establishing a stakeholder compensation program (similar to intervenor compensation programs at many PUCs across the country) to provide resources to groups that would otherwise lack the resources to participate in RO decision-making.

While all three of those options could play a role in protecting the public interest, we specifically suggest further development and consideration of the Office of Public

Participation model at this time. In short, the Office of Public Participation would be an internal office of the RO focused on educating stakeholders about the RO's processes and proposals as well as creating accessible materials to facilitate engagement with the RO. Please see the attached appendix that more fully describes this proposal.

At this time, the PIO Commenters are not pursuing the other two options mentioned above. The advisory council would be less impactful with the stakeholder process being contemplated because public interest organizations would have their own sector and would be able to participate fully in stakeholder processes. In addition, while stakeholder compensation could be a critical tool to enable under-resourced groups to participate in RO decision-making, we recognize that creating and administering such a program could require significant resources. While the PIO Commenters are not pursuing this idea further at this time, we believe the RO should consider implementing a stakeholder compensation system at a later date.

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.](#)

All of the proposed tools have the potential to protect the public interest, although some are more impactful than others. A robust States Committee can provide a forum to find common ground across western state energy policies, the Independent Market Monitor is an essential role to provide a neutral, technical evaluation of the market functions, and clear roles for both state Consumer Advocates and the broader public interest community all work together to provide structures and processes to protect the public interest.

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

We prioritize ensuring the RO corporate formation and governance is focused on broad public interest by using a non-profit public benefit corporation under 501(c)(3) of the IRS code (23 U.S.C. sect. 501). We recommend the Launch Committee more fully define the public interest protections to be incorporated into the RO governing documents. These interests include: reliable and affordable power, meeting state air emission standards for traditional pollutants as well as greenhouse gasses as applicable, and balancing the retained role for state energy policy making with the ability for balancing areas to fully gain the benefits of the WEIM and EDAM market functions.

We recommend an additional tool - creating an Office of Public Participation with the duty to periodically review whether the RO process effectively incorporates public interest values and report directly to the Board about potential improvements (see response to Question #1 and the description attached to these comments).

#### 4. States Committee

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

We generally agree with the proposed structure and governance structure. We note the current Body of State Regulators Charter does not specifically refer to protecting the public interest. We look forward to the specific proposals to amend the charter to include such protections.

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

We have no comment at this time regarding our experience with state committees outside of western energy market functions.

We note the west has at least two existing state committees with a role in western energy market functions. We encourage the Pathways Initiative to ensure the proposed states committee for the energy markets is structured in a manner to facilitate collaboration and coordination with the Committee of State Regulators for the Western Resource Adequacy Program.

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

The current Body of State Regulators allows for three non-voting liaisons for public power interests involved in the EIM, one representing a Power Marketing Agency and two liaisons representing consumer-owned utilities. The proposal would enable these liaisons to become voting members of the States Committee. The PIO community points out this is a novel suggestion - providing a non-state-wide interest voting rights on a state-based committee. We are not clear on how the public power interest would be selected to ensure they represent a position applicable state or region-wide. We seek additional explanation for why public power is the only sector provided voting seats on the States Committee along with voting seats in the RO governance and stakeholder processes.

- How else might public power/PMA perspectives be incorporated?

Public power entities and Power Marketing Agencies are proposed to be distinct sectors in the RO governance and stakeholder processes with related voting rights.

Public power and Federal Power Marketing Agencies can also continue to serve as non-voting liaisons to the Body of State Regulators to ensure the state-wide members of the states committee understand their issues and priorities.

- 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?

The PIO Community seeks more detail on the topics or issues that could trigger the ability for one-quarter of states or one-quarter of load to cause the requirement for a supermajority of the RO Board to approve a proposal. Could the subset of states cause this supermajority vote for any issue, or only significant issues like approving tariff changes, appointing new board members, or changes to the form and governance of the RO? We also seek more explanation for why the one-quarter of states or load threshold does not lead to a single state having out-sized influence on the RO governance.

We agree the States Committee should have a seat on the Board Nominating Committee on equal footing to all other members of the Nominating Committee.

We seek more explanation for the threshold of two-thirds of states and load to veto a nomination to the RO Board. And, we are not clear whether this veto applies to the slate of nominees and or individual nominees.

## 5. Consumer Advocates

- 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.

We support the proposal for a separate Consumer Advocate organization open to state-sanctioned consumer advocates in the RO footprint. As PIO's we share the same concerns underlying this proposal - lack of capacity and funding to effectively engage with the RO. Not every state in the west has a formal consumer advocate, so we encourage the proposed organization to provide a method to engage with independent consumer advocates.

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

The proposal will provide official state consumer advocates an effective means to provide collective input to the RO. As noted elsewhere in these comments, the public interest is broader than the focus on customer costs that is the traditional

focus of Consumer Advocates. Thus we recommend additional tools to protect the broader public interest, as described in these comments.

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 presentation generally described the current Department of Market Monitor and Market Surveillance Committee at CAISO and stated these functions would be maintained and enhanced at the RO. The PIO community has a generally positive experience with these current structures.

To ensure independent governance and a focus on regional energy market issues, we recommend the market monitor function for the region-wide WEIM and EDAM markets be part of the RO's operations and oversight. We support CAISO maintaining a separate market monitor as part of their duty to oversee the applicable California Balancing Areas.

We recommend the stakeholder process develop methods to engage with the independent market monitor to provide analysis and data. While this need not provide the same level of access as the States Committee or RO board, some access would improve the understanding of issues and proposed solutions developed through the stakeholder process. Access to the independent monitor can complement and balance the input of the RO staff in the stakeholder process.

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

Not at this time.

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## RO Office of Public Participation Model

### Basic Description:

1. The RO Office of Public Participation (“Office”) would be internal to the RO, tasked with educating and facilitating individuals and non-governmental interest groups to engage with the RO.
2. Modeled on the [FERC Office of Public Participation](#)
3. This is distinct from the stakeholder process, which gives the opportunity for stakeholders to advocate for their individual interests.

### Function:

1. The Office would have the following responsibilities:
  - a. Aid the public in navigating and participating in RO processes.
  - b. Produce neutral explanations of policy proposals and roadmaps for stakeholder engagement in specific issues.
  - c. Proactively and regularly engage potentially impacted stakeholders to ensure they are aware of the issue and opportunities to engage the RO.
  - d. Periodically review the RO stakeholder and decision making processes to ensure public participation is effective, inclusive, and hurdle-free and to develop proposals for needed improvements or evolutions.
2. The Office could have the following processes:
  - a. Report to the RO Board periodically on the results of the review of stakeholder processes.
  - b. An advisory council of public interest stakeholders could provide perspective and advice to the Office on how to improve public engagement.

### Benefits:

1. This model addresses a portion of the capacity and funding barriers faced by individuals and non-governmental public interest groups by providing accessible, reliable, and neutral explanations of RO processes and issues

The RO Board and Staff would receive periodic reports on public participation to create a direct line of communication on public interest issues at an operational level. This complements the other public interest roles in Board nomination and Stakeholder Engagement processes.