WEST-WIDE GOVERNANCE PATHWAY INITIATIVE

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S
COMMENTS ON THE STAKEHOLDER PROCESS
WORKSHOPS**

August 16, 2024

The California Community Choice Association[1] (CalCCA) appreciates the opportunity to provide input on the West-Wide Governance Pathways Initiative's (Pathways Initiative) Stakeholder Process Workshops (Workshops). CalCCA strongly supports the direction of the Pathways Initiative and appreciates the efforts of Workshop participants to develop a robust and inclusive stakeholder process for the Regional Organization (RO). As Workshop participants and the Launch Committee continue to work through key stakeholder process issues, CalCCA encourages consideration of these comments' recommendations.

There are trade-offs between a more informal stakeholder process where individual stakeholders elect to participate on an initiative-by-initiative basis, a more formal stakeholder process with voting and committees, and the range of options in between. The Workshops have made clear that, regardless of whether the stakeholder process includes formal voting and committee structures or not, stakeholders are seeking an RO stakeholder process that is responsive to stakeholder input and makes decisions transparently.

CalCCA proposes the following stakeholder process, expanded upon in response to the questions below, for the Launch Committee and Workshop participants' consideration. This proposed hybrid approach would incorporate an open stakeholder process where individual stakeholders elect to participate in and comment on stakeholder initiatives, RO staff respond to stakeholder input and justify decision-making with statements of reasons,[2] and advisory voting is used to inform RO Board decision-making.

- Policy Topic Selection
  - Stakeholders and the RO submit, present, and rank proposed policy topics; and
  - The RO prioritizes policy topics, considering stakeholder input.

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[1] California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

[2] See the response to Question 8 for a detailed description of how the RO would utilize statements of reasons in its stakeholder processes.

- Defining Problem Statements and Developing Proposed Solutions
    - Stakeholders or RO staff present problem statements and proposed solutions;
    - Stakeholders comment on proposals;
    - RO staff present final policy proposal and a "statement of reasons" justifying each change and responding to stakeholder input; and
    - Stakeholders comment on the final proposed solution and provide indicative votes.
- RO Board Decisions
    - RO staff include final policy proposal, statement of reasons, and indicative votes in the RO Board packet; and
    - RO staff present final policy proposal to the RO Board, and stakeholders provide written or verbal comments to the RO Board.

The objective of this proposed approach is to enable an open stakeholder process in which individual stakeholders can participate and provide input into any and all stakeholder initiatives that are important to them, while ensuring RO staff are accountable for responding to stakeholder input and making decisions transparently.

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?*

Policy topic selection should occur collaboratively with RO staff and stakeholders. This process could be similar to the new California Independent System Operator (CAISO) process for its Policy Initiative Stakeholder Catalog and Roadmap.[3] In this process, stakeholders submit, present, and rank proposed policy topics, and the RO prioritizes them based on the stakeholder rankings, staff bandwidth, and other factors.

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

The stakeholder process should allow for flexibility in who first presents a problem statement and solution range. The entity best suited to originate policy framing may vary depending on how the policy topic was first introduced. That is, if a policy topic is first proposed by a stakeholder or set of stakeholders, it may make sense for those stakeholders to take the first step in presenting problem statements or solutions. If a policy topic came from a regulator mandate or RO Board direction, it may make sense for the RO staff to begin presenting problem statements

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[3]   https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/Annual-policy-initiatives-roadmap-process-2024.

or solutions. Regardless of who first frames a policy issue, all stakeholders should have an open and transparent way to express problem statements and put forth proposed solutions.

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

RO staff should have the primary responsibility for facilitating discussions and moving agendas forward with stakeholder input. RO staff should consider whether outside facilitators are needed to assist in leading discussions on an initiative-by-initiative basis. The process should allow stakeholders to present problem statements or proposed solutions.

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

The RO's stakeholder process should be inclusive enough to allow stakeholders to provide their proposals, recommendations, and feedback regardless of whether the process is led bottom-up or top-down.

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?*

CalCCA recommends a stakeholder process that allows individual entities to participate in the RO's stakeholder process in an open and transparent manner. Any entity should be able to advance policy topics, put forth proposals, submit comments, and express their positions to RO staff and Board members.

If sectors are established, CalCCA recommends that they be used only to group individual stakeholder responses or votes to ease the RO Board's review of stakeholder input. It can be difficult to define sectors in a way that makes every stakeholder group feel heard and, as described below, sector voting can lose the nuanced positions stakeholders may have on a particular issue. For these reasons, Workshop participants and the Launch Committee should consider using sectors only to categorize individual stakeholder feedback for the RO Board's use in contextualizing stakeholder input.

CalCCA supports the applicable sectors defined in the RA Formation and Governance Working Proposal for the RO Board of Directors' Nominating Committee.[4] These include:[5]

- EIM/EDAM Entities;
- Participating Transmission Owners;

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[4]   https://www.westernenergyboard.org/wp-content/uploads/Working-Proposal_-Selection-Procedure-Options-for-the-Regional-Organization-Board-of-Directors.pdf.

[5]   The proposed RO Board of Directors' Nominating Committee includes the RO Board as a sector. This sector would not be applicable for stakeholder sectors used to inform RO Board decisions, so it has been omitted from this list. All other sectors are as listed in the RO Formation and Governance Working Proposal.

- Publicly Owned Utilities;
- Load-serving Entities that Do Not Own Transmission or Distribution;
- Suppliers and Marketers of Generation and Energy Service Providers;
- States Committee;
- Public Interest Groups;
- Consumer Advocates;
- Large customer advocacy groups; and
- Other.

The Working Proposal's definition of nominating committee sectors represents the range of stakeholders that will participate in the RO and make necessary delineations among stakeholder groups to ensure each group has a voice in the selection process. Specifically, CalCCA appreciates the inclusion of the "Load-serving Entities that Do Not Own Transmission or Distribution" sector, the sector in which CCAs reside. Different load-serving entities have different perspectives depending on how they are structured. Recognizing these differences when defining sectors will be important to ensure all load-serving entities are adequately represented.

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

The sectors should not be weighted for voting purposes. As described in response to Question 5, sectors should only be used to contextualize individual stakeholder feedback. As described in response to Question 6, voting should be on an individual stakeholder level and for advisory purposes only. These individual votes should be used to inform the RO Board of stakeholder positions but should not be the sole factor in advancing recommendations. It may be helpful to group individual votes into sectors to ease the RO Board's ability to review input from many stakeholders, but each individual vote should be communicated to the RO Board. The RO Board can then use its own expertise and best judgment to weigh positions based on the policy topic.

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

As defined in response to Question 5 and Question 5.a, the primary value of sector definitions is to concisely inform the RO Board of individual stakeholder positions on a policy proposal grouped by sector.

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

Stakeholder engagement should include non-binding indicative voting. Votes should be taken on an individual stakeholder level for advisory purposes. These individual votes should be used to inform RO Staff and the RO Board of stakeholder positions but should not be the sole factor in advancing recommendations because votes cannot often capture the nuances of parties' positions. Indicative voting on an individual stakeholder basis provides a useful way for stakeholders to communicate their positions without the need for lengthy procedural steps that

may isolate stakeholders not on committees and without the risk of stalemates if stakeholder votes alone do not indicate a clear path forward.

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

Votes should be taken on issues that have been vetted in the stakeholder process but have not yet reached consensus and as described in response to Question 6.b, in advance of key decision points.

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

Advisory voting would be most informative if scheduled before key decision points (e.g., the RO Staff's adoption of a final policy recommendation or the RO Board's decision on the RO Staff's policy recommendation).

c. Should voting be indicative or binding?

Voting should be indicative only so that the RO Staff and the RO Board can consider the nuances of stakeholders' positions communicated through their comments on different policy recommendations.

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

The RO's stakeholder process could use a forum structured like the CAISO's Regional Issues Forum (RIF), which provides a stakeholder-led venue to discuss policy topics related to the RO in a public forum. Like the RIF, forums or committees enhance the ability for stakeholders to learn and communicate but should not displace the RO's stakeholder process and stakeholders' ability to participate in that process.

General feedback:

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

Throughout the workshops, it became clear that responsiveness to stakeholder input and transparency in decision-making were clear priorities for participants. To incorporate these objectives into the RO stakeholder process in a way that holds RO staff accountable for being responsive to stakeholder input and transparent about how they came to their recommendations, the RO stakeholder process should require RO staff to create a "statement of reasons" for each final policy proposal.

The California Energy Commission (CEC) uses statements of reasons for proposed changes to its standards in accordance with Government Code Section 11346.2(b)(1), which requires "a statement of the specific purpose of each adoption, amendment, or repeal, the

problem the agency intends to address, and the rationale for the determination by the agency that each adoption, amendment, or repeal is necessary to carry out the purpose and address the problem for which it is proposed. The statement shall enumerate the benefits anticipated from the regulatory action, including the benefits or goals provided in the authorizing statute."[6]

While the RO would not be subject to the same statutory requirements as the CEC, it would be useful to incorporate something akin to the statements of reasons framework, tailored to the specific needs of the RO stakeholder process, into the RO process for developing policy recommendations. For example, the statements of reasons would set forth the problem statements, the rationale for why RO staff made certain recommendations in its final policy proposals, and RO Staff's considerations, including consideration of stakeholder recommendations, that were made as part of the decision-making process. This approach will ensure the RO's stakeholder process results in responsive and transparent decision-making.

CalCCA looks forward to the opportunity to continue to work with and support policymakers and other stakeholders to advance an RO with an inclusive, responsive, and transparent stakeholder process.

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[6] See, for example, Initial Statement of Reasons, Proposed Revisions to the California Building Energy Efficiency Standards, 2025 California Administrative Code, 2025 Building Energy Efficiency Standards, California Code of Regulations, Title 24, Part 1, Chapter 10, and Part 6 (2025 California Energy Code), Docket No. 24-BSTD-01 (Mar. 28, 2024): https://efiling.energy.ca.gov/GetDocument.aspx?tn=255315-4.