



West-Wide Governance Pathways Initiative
Stakeholder Comment Template: Public Interest

SDG&E's comments:

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:

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.

SDG&E is open to other stakeholders' proposals on this topic, but believes the set of tools proposed by the working group is sufficiently comprehensive.

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.

SDG&E does not disagree with any of the tools shared by the working group, but wants to ensure that the benefits of any tools that are eventually adopted outweigh the costs and are effective in achieving their mandates.

The CAISO has operated effectively to protect the public interest by utilizing a free and open stakeholder process and through active engagement with the DMM. Allowing the participation of any stakeholder in the initiative process, without requiring payment for such participation, ensures that those who desire to be heard have that opportunity.

While a consumer advocate model may make sense for some regional organizations, SDG&E urges the Launch Committee to consider the full suite of costs and benefits of this model and potential difficulties in making it an effective tool. The West covers a significant amount of geographically diverse areas, resulting in widely varying priorities and needs. It may be difficult for a separate agency to effectively represent these various interests. It may be more effective, both in initiative focus and in cost, to create a Consumer Advocate committee and/or department within the IMM, which may be able to set agendas and direct work in a more cohesive way. SDG&E discusses this further in Question 5.

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

SDG&E believes the tools proposed to protect the public interest with the RO board are acceptable. Incorporating public interest protection language into the articles of incorporation and the charter, allowing for stakeholder input and meetings with the States Committee on public interest issues, considering the public interest during board member



West-Wide Governance Pathways Initiative

selection, and creating a transparent environment that the board abides by are sufficient to protect 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?

SDG&E does not have any concerns regarding the structure or governance of the 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?

No comment.

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

SDG&E is supportive of the public power/PMA being incorporated into the States Committee with an advisory role.

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

No comment.

- 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?

SDG&E is generally supportive of the proposed relationship between the States Committee and the RO board. We would like to request insight into whether the seat on the RO Board Nominating Committee will have voting power in the Board nomination process, or whether it will be advisory.

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.

While the proposed structure has merit, creating another independent 501(c)3 organization adds another layer of complexity to the already involved process of developing this RO. Having to stand up a second organization will require further resources and time, and the Launch Committee has not shown that the same objectives cannot be achieved more cost effectively and efficiently through the IMM.

If the RO were to adopt this model, representation would be a critical issue. Different states have different priorities, and therefore so will their consumer advocate representatives. As public interest may mean different things to different states, it may be difficult to reach agreement on issues and accomplish the mission of the



West-Wide Governance Pathways Initiative

organization.

The Launch Committee should consider how it can create the most cost effective organization possible in order to pass those benefits on to the consumers. We urge the Launch Committee to utilize a holistic approach, and consider all costs and benefits of the independent Consumer Advocates organization, and whether they could be achieved in a more cost-effective manner.

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

While this independent Consumer Advocates organization would have a focused mandate, heterogeneity in state policy goals may make agreement within the organization difficult to achieve, resulting in a less effective and more expensive tool. There will be a wide variety of interests to take into account, so creating a cohesive and effective consumer advocates group would be a significant challenge. In practice, this diversity of interests could become contentious and stall process on important consumer protection issues. The other proposed tools, including an open stakeholder process and the market monitor may be sufficient to cost-effectively manage public interest. We urge the Launch Committee to consider if these goals can be more effectively achieved through the independent market monitor (“IMM”) and stakeholder process, like the current CAISO structure.

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.

SDG&E supports the proposal for the role of an Independent Market Monitor and believes it will be effective in helping to protect the public interest. Additionally, the Launch Committee could consider structuring a Consumer Advocate committee and/or department within the Independent Market Monitor. As the IMM already acts as one branch of consumer protection, this structure would be significantly less complicated and likely more cost effective than creating an independent organization, while still allowing the various public interests to be represented in an engaged and thoughtful manner.

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

SDG&E greatly appreciates the opportunity to provide feedback on this important topic, and has no further feedback to share at this time.

Written comments are due on August 29, 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.