



West-Wide Governance Pathways Initiative

April 30, 2026

Chair Rebecca Wagner
Western Energy Markets Governing Body

Chair Joe Eto
California ISO Board of Governors

Mr. Elliot Mainzer
California ISO President and Chief Executive Officer

Dear Chair Wagner, Chair Eto, and President Mainzer,

The Launch Committee of the West-Wide Governance Pathways Initiative would like to thank the California Independent System Operator (CAISO) for facilitating a successful stakeholder process that resulted in a draft final proposal that was approved by the Western Energy Markets (WEM) Governing Body and the CAISO Board of Governors this week.

The Launch Committee submitted a letter¹ to the CAISO on February 4, 2026 requesting that the CAISO facilitate a stakeholder process that would support the development of a debt-financed funding mechanism to pay for the start-up costs of the Regional Organization for Western Energy (ROWE). The CAISO promptly answered this request by opening a policy initiative stakeholder process that, in part, explores this structure.

The CAISO's stakeholder process included an Issue Paper, Draft Final Proposal, draft tariff revisions, two stakeholder calls, and two opportunities for stakeholder comments. The Launch Committee recognizes this level of engagement and believes that the resulting Draft Final Proposal appropriately balances stakeholder comments and feasibility of the funding structure.

The Launch Committee appreciates the partnership of the CAISO to launch the ROWE with adequate funding to meet the mutual goal of the Pathways Initiative to provide an independent governance structure for the electricity markets operated by the CAISO. Today's vote approving the cost allocation mechanism to recover costs from the market in 2028 to repay the loan and CAISO's willingness to co-sign the loan is representative of the integral partnership between the ROWE and the CAISO.

The ROWE is able to achieve true independence through its governance structure while leveraging the technical expertise of the CAISO in developing and operating the electricity markets for

¹ West-wide Governance Pathways Initiative, "Debt Financing Proposal Request," February 3, 2026.



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decades. We look forward to working with the CAISO to implement the associated tariff changes and appreciate the continued collaboration.

Sincerely,

Pam Sporborg
Co-Chair, Pathways Initiative
Director, Transmission & Market Services
Portland General Electric Company

Kathleen Staks
Co-Chair, Pathways Initiative
Executive Director, Western Freedom

