



West-Wide Governance Pathways Initiative

Stakeholder Comment Template: Public Interest

Balancing Authority of Northern California

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.

At this juncture of the process, and well before any Regional Organization (RO) formation, the set of tools articulated is adequately comprehensive. We support the explicit recognition in corporate documents on the primacy of consumer benefit and public interest and similarly express statements to that effect in the goal and function of the RO, as reflected in the duties of the Board. We also support the access to data for consumer advocates, while we note that any ultimate formulation for disbursement of confidential data will require additional thought and protections. We support a Consumer Advocate seat on the RO Board Nominating Committee

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.

Some of the terminology in the August 15th Slide Deck should be clarified. Any person, broadly defined, can submit comments, interventions, protests or other pleadings at the Federal Energy Regulatory Commission (FERC). Any person can file a complaint under Section 206 of the Federal Power Act alleging that an existing rate, term, or condition of service is not just and reasonable or is unduly discriminatory. It appears that the language on page 5 of the Slide Deck appears to include both of these types of pleadings. The final narrative proposal should clarify this point.

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 support the explicit recognition of duties 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?

See below.

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



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Our experience with the BOSR has been that the informational briefings that are provided are very helpful, and that the consensus process utilized by the BOSR works well. We provide additional details below.

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

See below.

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

See below.

- 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?

Consistent with our views set below, we do not believe the time is ripe for incorporating extensive voting structures in the BOSR. This includes the ability to trigger super majorities for certain purposes. We also believe the proposals that would allow states to veto RO Board nominees requires further consideration.

The RO footprint is still being defined. Hence, we do not know what configurations may be ultimately achieved and therefore what reasonable scenarios may occur. If the RO footprint is West-wide, these proposals may be workable. However, if the RO footprint is more limited, some of these mechanisms may be challenging and give some entities undue influence on decision-making. BANC understands the underlying purpose, and generally supports the purpose of protecting public interest, but submits that further work is needed on these types of mechanisms if they are to be considered further.

- f. General Comments on Public Power and the BOSR

The Pathways Public Interest Working Group has presented several questions on the role and structure of the Body of State Regulators (BOSR) and some of the possible questions that must be answered as part of any recommendation from the Pathways Launch Committee on formation of a Regional Organization.

First and foremost, BANC supports the current role of the BOSR and its consensus approach to comment and position development on market issues. We also observe that the advisory role of the public power and power marketing administration liaisons has worked well and appreciate the inclusive approach that has been the hallmark of BOSR engagement.

Our first goal should be to “do no harm.” We cannot see any development in the new RO structure and its anticipated roles that compels at this time changes to the advisory nature of the BOSR and therefore how public power engages with state regulator representatives. At least initially, the RO is intended to take over sole authority over market policy for the Day Ahead and Real Time Markets. This is highly akin to the current role of the CAISO Board of Governors and Western Energy Markets Governing Body in the current Joint Authority and anticipated Primary Authority models. The BOSR works well in its current role. The initial RO functions are anticipated to mirror existing market functions. If RO functions expand substantially in the



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future, there will be an opportunity at that time to address the future role of the BOSR in the RO at that time.

Setting up a voting structure for the BOSR on market rules invites attention and divisive debates. Today, the BOSR representatives prioritize respect for each state's energy policy autonomy and primary role over rates for their respective jurisdictional utilities. A voting structure threatens the consensus building and trust that has been built assiduously during the decade of BOSR operations and under the leadership of several state Commissioners.

Public power serves roughly 1/3 of load in the Western Interconnection. Our advisory role on the BOSR is critical to forging consensus on a host of issues. BANC is part of the California public power community that serves roughly 15,000 MW of peak load. Needless to say, this load service obligation is in excess of many states, even several states combined. BANC's members are governed by elected Boards that are the rate setting and, to a great degree, policy makers for their citizen-owners. Yes, we may own generation and/or transmission. But while that may be a fact, BANC does not believe it is a distinguishing factor. It seems incongruous to consider a more formal role for the states, while not allowing a commensurate role for public power, preferably within the BOSR structure, in order to recognize the core commonality that states and public power share, which is service to our citizens.

We strongly urge the BOSR to make clear to the Pathways Public Interest Working Group that it supports continuation of its advisory role and consensus approach on market issues, and the current role for public power and power marketing administration liaisons, and not a move to a voting structure. We believe the BOSR also supports retaining the existing advisory role for itself and the current role for public power and power marketing administration liaisons and would urge the BOSR to make this clear to the Pathways Public Interest Working Group.

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.

BANC has no comments at this time.

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

BANC has no comments at this time.

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.



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Yes. Independent and expert eyes are critical to market design development. The Independent Market Expert, DMM, and the Market Surveillance Committee all add valuable insights on market design issues that can further public interest goals.

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

Not at this time. Thank you to the Working Group for its efforts.

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.



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