

West-Wide Governance Pathways Initiative CAISO Issues and Tariff Analysis

Submitted by	Company	Date Submitted
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PG&E appreciates the West-wide Governance Pathways Initiative (Pathways) Stakeholder process working group's efforts and the opportunity to provide comments. \

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?

PG&E believes that all voices should be welcome to contribute ideas and that the market operator staff have a critical role to play as well. The market operator staff bring valuable knowledge, skill, and experience to policy efforts and should be an active participants in policy development to ensure effective market design principles are being implemented, use and knowledge of existing tariff and other manuals as well as technology should also play a role in policy efforts moving forward. Together stakeholders and staff should balance and prioritize the array of suggested discretionary initiatives with staff bandwidth remaining after mandatory/compliance initiatives. This combination of stakeholders and staff should allow for the close integration of stakeholder priorities, market design principles, technical requirements, and implementation considerations.

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

The market operator staff and stakeholders should both be allowed to present problem statements and solution range. PG&E does believe that the institutional knowledge of the market operator staff often places them in the best position to write proposals, schedule meetings, and facilitate progress of initiatives. The market operator staff play a huge role in making sure that the process is efficient, that all participants are well informed, and the trade-offs in solutions presented are considered.

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

Stakeholder-led workshops are greatly informative and a key part to fostering communication and the discussion of new ideas. However, PG&E notes the difference between leading a workshop and leading an initiative. The market operator staff play a large role in creating an open yet efficient policy

development process. PG&E believes that it is critical to maintain a close relationship between the market operator staff and an engaged stakeholder community.

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

There is a feasible limit to the number of policy initiatives that can be active each year as stakeholders do not have infinite time nor do the market design or market implementation staff. There is even less bandwidth for discretionary initiatives once compliance and exigent initiatives are considered. Given the amount of planning and budgeting necessary to maintain market design and implementation teams, it makes sense to have an annual process for prioritizing discretionary initiatives.

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?

Yes, PG&E agrees tools (e.g., sectors, voting) facilitating productive, transparent, and flexible stakeholder participation can be valuable. However, we do not agree that there should be a rigid voting and sector process. One suggestion would be to think of sectors, not as mutually exclusive voting blocks, as flexible categories of participants. Many market participants could easily belong to more than one sector and these categories could help identify where divergences are in opinion and identify pathways for resolution.

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

No, PG&E does not recommend a rigid voting structure.

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

The value of sector designations is that they can help to highlight where differences exist. Voting should be used as an indication of how stakeholders feel about a specific topic. Allowing for flexible sectors for participants can facilitate a deeper understanding of stakeholders' perspectives.

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

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

Voting should be used as a tool to encourage productive, transparent, and flexible stakeholder participation. Non-binding voting should be used to the extent that it can encourage these principles during policy initiation, development, and approval processes.

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

See answer to part (a)

c. Should voting be indicative or binding?

Voting should be indicative/advisory.

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

PG&E does not support a rigid voting structure with committees as seen in, *e.g.*, PJM. PG&E does support open and frequent forums that foster communication and debate such as the Regional Issues Forum. PG&E supports the continued or expanded use of the Regional Issues Forum, or something similar, to promote an efficient and transparent stakeholder process.

General feedback:

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