

West-wide Governance Pathway Initiative

Submitted by	Company	Date Submitted
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PG&E appreciates the opportunity to share thoughts on the West-Wide Governance Pathway Initiative (WWGPI) and to provide responses to the questions enumerated in the Initial Options Evaluation Framework paper and presentation from the Launch Committee.¹

1. Do the proposed evaluation criteria support a constructive and thorough assessment of the options?

The evaluation criteria are sound and will support a constructive assessment of the scenario options for the proposed new independent market governance. There is a need to demonstrate a transition path. To the extent the Pathways initiative develops into new governance over the multi-state markets an important evaluation criterion will be the transition. All entities will need the ability to maintain BAA control, including CAISO BAA members, up to and including the ability to join or leave a shared market.

2. Are the bookends reasonably defined to set the boundaries for a timely, productive exploration of available structural alternatives to governing autonomy?

The bookends provide a helpful set of alternatives covering the governance possibilities.

CAISO exists today as the result of over 25 years and hundreds of millions of dollars in investment to serve the needs of California customers and needs of the WEIM and EDAM markets in recent years. California entities, as well as WEIM and EDAM entities, have the same opportunity to trade with others and benefit from efficient, liquid markets, with access to a larger, more diverse set of regional resources and loads. Separating portions of the CAISO will not be a trivial undertaking and will require careful planning and coordination ensuring a fair, equitable design as part of the effort.

¹ References in the following are to the documents on the WWGPI webpage:
<https://www.westernenergyboard.org/wwgpi/>

3. Do additional options not encompassed above, but within the bookends, warrant exploration?

No. The bookend scenarios are complete and provide a sufficiently wide alternative range.

4. Should other aspects of the new structure not identified in the comparison matrix in Appendix B of the Scoping Paper be addressed within each option?

Implementation cost, timeline, and risk are not explicitly discussed in Appendix B, but are likely to vary significantly by scenario and should be assessed.

5. Are there additional threshold or high priority legal questions that should be addressed?

The Section 4 legal questions focus on the important threshold questions to ascertain the path toward more independent governance.

Additional questions regarding federal entities participation to ensure the largest possible market footprint might prove helpful.

- 1) Are there unique barriers for a federal Power Marketing Authority (PMA) to participate in the independent governance and multi-state market solution?
- 2) If so, what action(s) would be required to enable a federal PMA to join and participate in the independent governance and multi-state market solution?

6. Are there additional operational questions that should be addressed or prioritized?

None.

7. Are there additional issues or categories of issues that should be considered?

None.

Glossary

Balancing Area (BA)
Balancing Area Authority (BAA)
California Independent System Operator (CAISO)
Committee for Regional Electric Power Cooperation (CREPC)
Extended Day-Ahead Market (EDAM)
Investor-Owned Utility (IOU)
Pacific Gas and Electric Company (PG&E)
Public-Owned Utility (POU)
Regional Organization (RO)
Regional Transmission Organization (RTO)
Southern California Edison (SCE)
Southwest Power Pool (SPP)
Western Energy Imbalance Market (WEIM)
Western Energy Imbalance Service (WEIS)
Western Interstate Energy Board (WIEB)
Western Interconnection Regional Advisory Body (WIRAB)
Western Power Pool (WPP)
Western Resource Adequacy Program (WRAP)
West-Wide Governance Pathway Initiative (WWGPI)