

RE: Initial Evaluation Framework for Pathways Options

The Public Power Council¹ (PPC) appreciates the opportunity to comment on the Initial Evaluation Framework for the West-Wide Governance Initiative. The Launch Committee has produced a thoughtful framework for evaluating potential governance alternatives. The proposal to use these alternatives as a basis for legal analysis highlighting any legislative or regulatory changes required to support each alternative should be an informative approach. This legal analysis will provide critical context for informing stakeholders' evaluation of various options. We look forward to additional engagement among stakeholders to evaluate those options once that analysis is available.

PPC would also appreciate some additional clarification of the proposed timeline in future stakeholder meetings. Specifically, when will the legal analysis be complete, when and how will stakeholders discuss the options with that additional information, and how does the stakeholder evaluation of those options influence the need for and timing of standing up a regional organization to potentially administer the market.

Additionally, PPC would like to understand the selection process for the legal firm to conduct this analysis and how the work of that firm will be directed and overseen by Launch Committee members or other stakeholders. To the extent that any legal analysis provided through this process differs from existing legal analysis provided as part of prior CAISO governance development and review efforts, those differences should be explored and explained in detail at a future stakeholder meeting.

Below are some initial thoughts in response to the options and questions outlined in the Initial Pathways Evaluation Framework:

- The range of options identified by the Launch Committee provides the basis for informative legal analysis that will later inform a constructive evaluation of options and trade-offs.
- At this time PPC does not have additional options to recommend for consideration but notes that additional options worthy of discussion may emerge as a result of the upcoming legal and operational analysis.

¹ PPC, established in 1966, is an association that represents the vast majority of consumer-owned electric utilities across five states in the Pacific Northwest. PPC's mission is to preserve and enhance the benefits of the Federal Columbia River Power System operated by BPA for consumer-owned utilities. PPC's members pay roughly 70% of BPA's annual \$3.9M revenue requirement, in addition to owning their own generation and transmission facilities in the Northwest.

- PPC suggests that the Launch Committee may want to prioritize among the operational and legal questions to be addressed. Additionally, there are some operational questions that would need to be addressed in advance of the legal questions in order to best inform the legal analysis performed as part of this effort. In particular the operational scope of each alternative (Operational question #1) must be well defined to inform the legal analysis of each option.
- In addition to the categories of issues identified, PPC would like to better understand the durability of all options. The durability of alternatives was a significant focus during the Governance Review Committee discussions and continues to be an important aspect of governance for PPC members. While it is likely that minor changes will be needed to refine any governance that is adopted, it is important to understand the process to change that governance, particularly when it comes to making large, structural changes. Additionally, to the extent there are processes or influences outside of the normal stakeholder processes that could result in changes to the governance structure those should be identified. Examples include whether state or federal legislative actions could impact the proposed governance.

Thank you for your consideration of these comments.