



West-Wide Governance Pathways Initiative

The Pathways Initiative Answers Regulator Calls for Independent Entity

The Launch Committee proposal takes a major step toward achieving western regulators' vision of maximum customer benefits through an independent regional entity.

The West-Wide Governance Pathways Initiative Launch Committee released its final Step 2 Proposal today, laying out a set of recommendations that achieve the goal to create “an entity that could serve as a means for delivering a market that includes all states in the Western Interconnection, including California, with independent governance” as originally set out in a [letter](#) from western state regulators in July 2023. This proposal overcomes the biggest foundational issue for western electricity market development over the last 20 years – independent governance – and opens the door for more optionality and evolution for the West.

The Step 2 Proposal enables the West to create a suite of voluntary wholesale electricity market services as stakeholders and participants desire and require, without relying on the actions of any one state or balancing authority. The recommendations in this proposal put customers and public interest protections at the core of all aspects of a new Regional Organization (RO), creating a structure and processes that exceed all other regional transmission organizations (RTOs) and Independent System Operators (ISOs). The Proposal also respects each state’s authority to continue to set its own procurement, environmental, reliability of electric service and other public interest policies.

The Step 2 Proposal incorporates [stakeholder feedback](#) into a two-part recommendation: (1) create a new RO designed to be a small organization with an independent policy-making board with sole authority over the real time electricity market (known as the Western Energy Imbalance Market or WEIM) and the day ahead electricity market (known as the Extended Day Ahead Market or EDAM). The RO will oversee the energy market services that the California Independent System Operator (CAISO) will continue to operate; (2) once in place, the new RO should initiate a feasibility analysis within nine months of its formation on the potential next steps for future evolution of the western market services.

The final Step 2 Proposal builds on the incremental path that Western stakeholders have chosen - a path that has created a real time market footprint that includes 80% of the electric demand in the West and built trust and momentum among market participants for further collaboration. This next step would protect those investments and enable additional benefits to customers that accrue through the efficient and seamless operation of market services that include the diversity and scale of resources available in that footprint.

Success will require continued work by stakeholders, including the Launch Committee, to implement. It will require partnership with the California legislature to pass a bill enabling the changes necessary to allow the CAISO Balancing Authority and California investor-owned utilities to participate in independently governed markets. As announced last month, the International Brotherhood of Electrical Workers (IBEW)’s recent commitment to sponsor that bill remains intact. “Nothing about the election last week changes our intention to seek California legislation allowing the CAISO and California investor-owned utilities to participate



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in energy markets overseen by a new regional organization,” said Bob Dean, Business Manager of IBEW 1245.

The Launch Committee will vote on the Step 2 Final Recommendation at its monthly Stakeholder Meeting on November 22.

Additional information and opportunities for additional stakeholder input can be found here: <https://www.westernenergyboard.org/wwgpi/>

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The West-Wide Governance Pathways Initiative Launch Committee is comprised of 26 stakeholders and alternates representing 12 different sectors from all 11 states in the Western Interconnection. A complete list of the Launch Committee members and alternates is available [here](#). The WWGPI Launch Committee Co-Chairs are Kathleen Staks (Western Freedom) and Pamela Sporborg (Portland General Electric).

For all media inquiries, please contact pathways@westwidepathwaysinitiative.org.
