# West-Wide Governance Pathways Initiative

Monthly Stakeholder Meeting March 28, 2025

# **Agenda**

- Welcome and Agenda review
- Legislative Update & Timeline
- Formation Board Proposal
- Funding:
  - Additional Funding Plan
- Work Plan Update
- Upcoming opportunities for additional Stakeholder engagement



### Legislative Update - SB 540

### **Authors** -

 Senators Becker and Stern introduced SB 540 on February 20

### **Support** -

 Co-Sponsors: IBEW, Environmental Defense Fund, Natural Resources Defense Council

### **California Legislative Cycle**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Legislature Convenes	•									
Bills Introduced						-	<b>Dates:</b> May 9 - ho	use of orig	in policy	
1st House Policy Committee Hearings							committee Sep. 12 - L	hearing de	eadline	
Spring Recess									the Govern	or to
1st House Fiscal Committee Hearing							sign or veto legislature	o bilis pas	sed by the	
1st House Floor Vote										
2nd House Policy Committee Hearings										
Summer Recess										
2nd House Fiscal Committee Hearing										
2nd House Floor Vote Legislature Adjourns										
Governor Sign/Veto										



### **Formation Board Proposal**

Need to list Board Members when corporate documents are filed with the IRS; anticipating needing to have an Interim Board (Formation Board) prior to seating permanent RO Board

**Formation Board Attributes**: The 7-member Formation Committee (FC) will serve as the Formation Board. Scope of duties will be limited to meeting the foundational requirements for formation including submission of the 1023 form to the IRS. The Launch Committee (LC) will retain its decision-making role and the FC will continue to operate as a sub-committee of the LC. Serving as the Formation Board will not give the FC any additional decision-making ability or authority.

**Costs:** Limited but may need to include D&O insurance. This approach will allow for avoided costs such as: allocating budget for Formation Board salaries, use of a search firm, legal costs to vet Board member independence

**Tenure/Term:** Filing of corporate documents (Jan 2026)- seating of RO Board (timing for seating of RO Board under discussion by LC)

**Duties**: Limited to being listed on IRS docs, Board will not be engaged in making market policy decisions, LC still retains decision making for the formation of the RO

### **Funding Update**

### **Additional Funding**

- Budget through October 2025 is around \$250,000
  - Small funding gap to get there
- We will need commitments to fund Phase II starting in October
- Draft budget forthcoming

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IRS Form 1023	Г	Т	П		П	П	$\neg$		П	П	П	П	П						П	П	П	Т	Т	Т	Т	Т	Т	П					П	Т	Т	Т	Т	Т		Т	Т	Г	Г			П	Т
File Corporate Documents		Т									П									П			Т		Т		Т	П						Т	Т		Т	Т	Т	Т		Г					
Office of Public Participation		T																																					Τ	Γ		Τ					$\Box$
Stakeholder Process Refinement																																															$\Box$





#### Formation Board (March 2025 - April 2025)

<u>Proposal</u>: The Formation Board will serve as an interim Board prior to seating the permanent RO Board. The 7-member Formation Committee will serve as the Formation Board with a scope of duties limited to meeting the foundational requirements for formation including drafting and submission of corporate documents to the IRS. The LC will retain its decision-making role and the FC will continue to operate as a sub-committee of the LC. Serving as the Formation Board will not give the FC any additional decision-making ability or authority.

#### Nominating Committee (March 2025 - October 2025)

<u>Scope Task 1</u>: (March 2025 - April 2025) Finalize Nominating Committee process and procedure for Permanent Board selection.

<u>Scope Task 2</u>: (March 2025 - October 2025) Support and facilitate sector "readiness" for Nominating Committee participation.

#### Office of Public Participation (May 2025 - September 2025)

<u>Scope</u>: Identify appropriate scope of work for the Office of Public Participation, draft budget, and staffing.





#### Budget Development (February 2025 - June 2025)

<u>Scope</u>: The budget will be used to inform fundraising efforts and IRS Form 1023. The budget will include the following budget periods: (1) present - passage of legislation; (2) passage of legislation - tariff funding (January 2028); (3) date of incorporation + 3 years. The budget will also contemplate staffing (including for OPP and CAO) needs once the RO goes live. Placeholder estimates will be used while discussions are ongoing.

#### Corporate Documents (April 2025 - August 2025)

<u>Scope</u>: The LC will need to submit several documents to the IRS including: Articles of Incorporation (Articles), Bylaws, and the Form 1023. The Articles and Bylaws, budget, and staffing will inform the 1023. The Form 1023 includes two primary components: (1) narrative about the activities that the RO will take on and (2) budget.

#### Stakeholder Process Refinement (March 2025 - go-live)

<u>Scope</u>: Continue work on refining RO stakeholder process, including discussions on scope of work. The Stakeholder Process Work Group will regularly evaluate additional topics that may be candidates for early implementation. The Work Group will continue to receive advisory input from the RIF liaisons and CAISO staff.

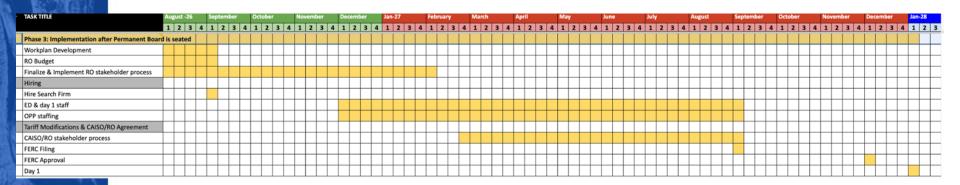
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Stakeholder Process Refinement																																
Consumer Advocate Office																																
Tariff Modifications																																
RO/CAISO Agreement																																

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The Formation Committee contemplates seating a permanent board in July 2026 or April 2027. The Launch Committee is in the process of evaluating these dates and will present its recommendation at the April stakeholder meeting. Work that will take place during Phase 2 includes:

- Running the Nominating Committee process for RO Board selection
- Defining RO organizational needs: <u>Scope</u>: Draft staffing position descriptions
- Stakeholder Process: <u>Scope</u>: RO staffing position descriptions; tariff changes;
   CAISO/RO agreement; CAO; OPP
- Consumer Advocate Organization (CAO) <u>Scope</u>: Identify appropriate scope of work and organizational structure for the Consumer Advocate office including draft budget and staff.
- Tariff Modification <u>Tasks</u>: Scope and identify tariff changes needed, draft changes, get stakeholder input. <u>Note</u>: The Permanent RO Board will be tasked with finalizing any tariff changes-may require additional stakeholder input in Phase 3.
- RO/CAISO Agreement: <u>Task</u>: Identify "key principles" to be used within the
  agreement. With "key principles" identified, create draft agreement outline that RO
  Board can use to inform the final agreement. <u>Note</u>: The Permanent RO Board will be
  tasked with finalizing the agreement- may require additional stakeholder input in
  Phase 3.







The schedule for Phase 3 is conceptual and will ultimately be determined by the RO Board. Proposed dates are meant to capture the estimated length of time these activities may take, and should not be viewed as the Formation Committee being prescriptive.

<u>Scope</u>: Regardless of when the permanent board is seated, the following activities will need to take place. Who accomplishes these tasks (FC or RO Board) will be dependent on when the Permanent Board is seated. There will not be tariff funding until 2028.

- Workplan development, including support needed from FC and the role of LC
- Finalize & approve RO budget
- Hiring:
  - o Hire search firm to support ED and RO staff
  - o Hire and onboard a permanent Executive Director and other staff
- Finalize draft Tariff changes & draft CAISO/RO Agreement
- Finalize and implement RO stakeholder process
- Hire staff member for Office of Public Participation subject to funding
- Joint RO/CAISO Stakeholder Process for Tariff and CAISO/RO Agreement
- FERC Filing (Tariff and CAISO/RO Agreement)
- FERC approval of Tariff and CAISO/RO Agreement
- RO Board assumes governance of markets
- Disband Launch Committee/Formation Committee



### **Upcoming Opportunities for Engagement**

The Launch Committee will continue to host monthly stakeholder meetings.

- Next meeting: Friday, April 25th from 10:30-12:00PT/11:30-1:00MT/12:30-2:00CT
- The majority of the April meeting will be a Sector Development Workshop.
- Please submit comments on the Formation Board to <u>comments@westwidepathwaysinitiative.org</u> by 4/4/25.

## Thank you!

- The Launch Committee can continue to be reached via <u>pathways@westwidepathwaysinitiative.org</u>
- All comments can be directed to comments@westwidepathwaysinitiative.org
- Pathways Initiative information continues to be hosted on the WIEB website at www.westernenergyboard.org/wwgpi

