Pathways Stakeholder Process
Workshop #4

Stakeholder Engagement Processes
Considerations for a Western Regional Organization

August 28, 2024
9am-12pm PT / 10am-1pm MT / 11am-2pm CT
Virtual / Zoom

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WORKSHOP SERIES SCHEDULE

Workshop	Topic	Date
1	Introduction to Briefing Document and Discussion	July 11
2	How could issues and solutions before the Regional Organization get raised? Who leads?	July 24
3	What could a sector-based committee and voting structure add?	August 2
	Stakeholder Comments on Meetings 1-3	*August 2 - 16*
4	**Reviewing a Discussion Document for a Stakeholder Engagement Process**	**August 28**
	Stakeholder Comments on Meeting 4 & Straw Proposal	**Aug. 28 - Sept. 11**

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#	Topic	Duration
1	Welcome and Housekeeping	25 min
2	Presentation of Discussion Document	45 min
3	Let's Be Sure We're All Talking About the Same Thing	30 min
4	*BREAK*	10 min
4	Stakeholder Discussion	60 min
5	Next Steps and Closing	20 min

Introductions:
- Name
- Organization
- Sector Affiliation
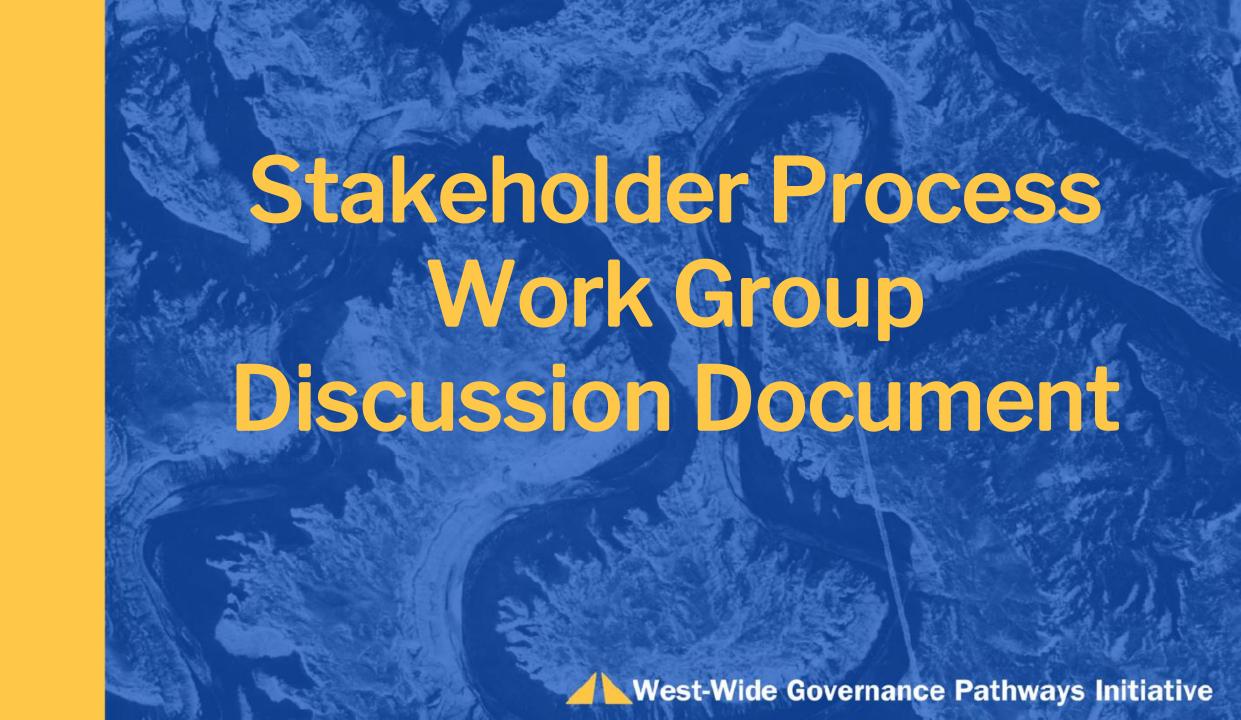- What was your best (or worst) back to school outfit?

A. **Shared Understanding:** Participants are introduced to the Discussion Document and the reasoning behind the choices in the document

B. **Refine the Design:** Participants share their ideas for strengthening the Discussion Document and identify areas that require further discussion

C. **Where We Go from Here:** Participants understand the next steps for refining the Discussion Document and the process for addressing any outstanding topics/issues

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Presentation of the Discussion Document

Stakeholder Process Work Group Discussion Document

West-Wide Governance Pathways Initiative

Background

- The Discussion Document is the product of the Stakeholder Process Work Group, shaped by both verbal and written feedback from stakeholders gathered from the first three Stakeholder Process workshops.
- Structures, methods, and best practices used in other ISOs/RTOs across the country were reviewed and taken into consideration during the Discussion Document development.
- The Discussion Document offers ideas on a framework for how a Stakeholder Process could operate within a new Regional Organization (RO).
- The framework does not cover all of the detailed elements of a Stakeholder Process but provides a starting point and structure to build off of and evolve over time as needs mature and change.

Areas for Stakeholder Feedback

- Feedback on possible roles and responsibilities of the RO staff (provide all of the facilitation and administrative support for the stakeholder process) and market operator staff (provide subject matter experts to assist with the development of problem statements and solutions).
- The goal of the Discussion Document is to offer a structure that utilizes the most effective elements from other structures used across the country to create processes and approaches that are specific to the needs of the West. Does the proposal strike this balance effectively? Does it meet the needs of stakeholders?

Elements of the Discussion Document

I. Stakeholder Representatives Committee (SRC)

II. SRC Sectors and Voting

III. Classification of Stakeholder Initiatives

IV. Stakeholder Process

      1. Issue Identification and Prioritization

      2. Stakeholder Phase:

            ▪ Stage 1 – Working Groups

            ▪ Stage 2 – Policy Development

      3. Approval by the RO Board

V. Voting

Stakeholder Representatives Committee (SRC)

Stakeholder Representatives Committee (SRC)

- Primary stakeholder body that works with RO staff to prioritize initiatives and define initiative problem statements and solutions.
- Designed to promote compromise and collaboration within and across sectors and among stakeholders.
- SRC sectors to be self-organized, with SRC representatives that are selected by the sector.
  - Sectors may elect to use selection criteria to establish diversity among SRC representatives that may be important to the sector.
- SRC representatives are responsible for communicating and engaging with the organizations within their sectors regarding:
  - Opportunities to develop, prioritize, and work on stakeholder initiatives; and
  - Participation in indicative voting at key points during the stakeholder process.
- SRC representatives will also report on and contextualize voting results.

SRC Sectors and Voting

SRC Sectors

	RO Sectors for Stakeholder Voting	Sector-based seats on SRC
1	EDAM Entities	1 seat
2	EIM Entities	2 seats
	[no PMA standalone sector]	*1 additional seat reserved for PMAs in either EDAM or EIM sector, assuming the PMA is either an EIM or EDAM Entity
3	ISO PTOs	2 seats
4	Transmission-dependent utilities	3 seats including (1) reserved for CCA
5	PIOs	1 seat
6	Consumer advocates	1 seat
7	Large C&I customers	1 seat
8	IPPs, independent transmission developers, and marketers	3 seats (need to ensure both IPPs and marketers have the opportunity for a seat, representing different business models)
9	Distributed Energy Resources (including distributed generation, storage and demand response resources, aggregators, and enabling hardware and software providers)	1 seat
		Total: 16 seats on committee

SRC Sector Voting

- When the SRC conducts a vote, every organization that is registered to vote will have the opportunity to specify its support for, opposition to, or neutrality on the issue under consideration.
    - RO staff will provide administrative support for and tabulate the vote.
- The organizational votes (i.e., individual stakeholders) will be tallied to form the sector votes for each of the nine sectors, along with a threshold indication of support, opposition, or neutrality based on the vote tally.
    - The SRC representative(s) will report on any specific splits that have been established by that sector.
- All organizational votes will be reported, with an opportunity for a remand if the votes indicate a need for more collaboration to establish broader agreement.

(*More details to come in Voting section)

Areas for Stakeholder Feedback

- Feedback regarding the proposed Stakeholder Representatives Committee (SRC).
- Feedback regarding the proposed sectors.

Classification of Stakeholder Initiatives

Classification of Stakeholder Initiatives

1. Compliance/Non-Discretionary: Initiatives that address compliance with a FERC Order, a market design flaw, or an emerging reliability issue.

*   FERC Rulemaking responses: If a tariff change is driven by FERC rulemaking process, there will likely be time for a full stakeholder process. The initiative would be initiated by the RO Board or staff and will go into the Catalog and Roadmap, with an evaluation of timing based on the compliance requirement.

*   Exigent Circumstances: If a tariff change is made under exigent circumstances, it will not have gone through a stakeholder process. These tariff provisions must undergo stakeholder review no later than 30 days after FERC approval and approved by the Board within 6 months or have the exigent tariff changes extended (pending further stakeholder development.)

*   Minor corrections or adjustments: Likely changes resulting from a tariff filing at FERC that already went through a stakeholder process, RO staff may forgo a stakeholder process but should notify the SRC and RO Board.

Classification of Stakeholder Initiatives

2. Compliance with State and Local Public Policy: Initiatives that are needed to enable the market to address a state or local public policy issue.

- Any entity (state agency representative, States Committee/BOSR representative, or market participant) who may be impacted by a state or local policy or law that may require a tariff change may propose an initiative. The proposal should include why the initiative is necessary to comply with the policy or law and whether implementation of that policy into the market would adversely affect other states.

- If the RO staff determines a tariff change is required and there aren't adverse impacts to other states, the initiative is treated the same as a Compliance/Non-Discretionary Initiative and goes into the Catalog/Roadmap. Timing will be based on the compliance requirement.

- If the RO staff determines that a tariff change isn't necessary or that other states would be adversely impacted, they document their findings and present them to the RO Board. Stakeholders including States Committee/BOSR representatives could comment on this finding.

Classification of Stakeholder Initiatives

3. Discretionary Initiatives: Market improvements or evolution that can be brought by any stakeholder or may emerge from a workshop.

Emergent Operational Issues
- Tariff changes addressing a significant market design flaw, reliability impairment, or matter significantly affecting a particular set of entities (for example, a market design problem that undermines the reliability of a particular balancing authority area) but fall short of exigent circumstances. These could include issues of importance identified by RO staff, the States Committee/BOSR, the market monitor, the MSC, the Independent Market Advisor, or a market participant.
- These initiatives would still be required to have a stakeholder process, but they would be handled with a greater degree of urgency than a normal discretionary initiative lacking the same time pressure.
- E.g., Price Formation Enhancements – Rules for Bidding Above the Soft Offer Cap

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Classification of Stakeholder Initiatives

3. Discretionary Initiatives: (Continued)

Discrete: clear ideas to address known problem statements

- May be able to move directly to the policy development stage (Stage 2, identified below) of a stakeholder process; or
- Proceed to resolution via another means, such as a Business Practice Manual change, if a tariff amendment is not required.
- E.g., Inter-SC Trades in Regional Markets

Conceptual: broad topics where many stakeholders agree there is an opportunity to improve the market, but there is no clear consensus on solutions or problem statements at the beginning of the initiative. This topic needs one or more working group discussions at Stage 1 of the initiative (as discussed below) in order to determine scope and problem statements.

- May include several subtopics
- E.g., Price Formation Enhancements, Greenhouse Gas Coordination, Gas Resource Management

Areas for Stakeholder Feedback

- Feedback on the proposed initiative classifications (1. Compliance/Non-Discretionary, 2. Compliance with State and Local Public Policy, and 3. Discretionary Initiatives).
- Feedback regarding the proposed approach to the Compliance with State and Local Public Policy category in particular.

Stakeholder Process

Stakeholder Process

1. Issue Identification and Prioritization

2. Stakeholder Phase:
   a. Stage 1 – Working Groups: What is the objective of the stakeholder initiative and what are the issues and problem statements to be solved?
   b. Stage 2 – Policy Development: Identification of solutions

3. Approval by the RO Board

Stakeholder Process

1. Issue Identification and Prioritization:

   A. <u>Catalog</u> – Listing of proposals (from all sources) for stakeholder initiatives

   B. <u>Roadmap</u> – Document reflecting the stakeholder initiatives that will occur for a three-year period

- Each document is updated annually
- The number and complexity of initiatives that the RO can pursue depends on the amount in the RO budget allocated for stakeholder initiatives.
- The Catalog/Roadmap should inform the RO budget discussions and vice versa. RO staff should ensure that the SRC understands the RO budget as initiatives are identified and prioritized.

Stakeholder Process

A. Catalog Process: Issue/Initiative Identification

- RO staff conduct a process each year to identify initiatives for inclusion in the Catalog and elimination of initiatives from the Catalog that have been addressed/are no longer needed.
- Known Compliance/Non-Discretionary Initiatives will automatically be included in the Catalog, including those State and Local Public Policy Initiatives that meet this criteria.
- The SRC assist in identification of discretionary issues for inclusion in the Catalog. This can occur through a Roundtable-type process, where SRC representatives review, assess, and organize submittals by their sectors.
- Roundtable process: The SRC obtains sector level input to an annual process for identifying discretionary stakeholder initiative priorities, discusses priorities in one or more meetings, and produces a report or other work product identifying stakeholder prioritization that provides direct input to both the Catalog and the Roadmap. The SRC should act as a facilitator, not a gatekeeper, for identifying and incorporating new initiatives into the Catalog.

Stakeholder Process

A. Catalog Process: Issue/Initiative Identification

- A new discretionary, non-compliance initiative could originate from any source. This includes (but is not limited to): all stakeholders and market participants, market operator staff, RO staff, DMM, MSC, States Committee/BOSR, etc.
- The Catalog should include a proposed disposition for all submittals by stakeholders—i.e., initiative (if tariff amendments may be needed), BPM change, process change, etc. Note that only initiatives that require a tariff change are included in the Catalog. The SRC should review and advise the RO staff on the proposed disposition.
- Based on input from the SRC, RO staff will release a Draft Catalog and host at least one stakeholder meeting with a comment period. A Final Catalog will be released with the Roadmap. For example, BPM changes are addressed through the BPM Change Management Process.

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

- The SRC (or sub-committee of the SRC) would work with and advise the RO staff regarding prioritization of the discretionary initiatives identified in the Catalog for near-term (i.e., ~3 years) to create a stakeholder policy Roadmap. The SRC would conduct a vote on the Roadmap prior to presentation to RO staff.
- Roadmap development includes the following steps:
1. Prioritization of Catalog initiatives by SRC representatives with input from sector members
2. Draft Roadmap published for public comment
3. Stakeholder meeting
4. Revised Roadmap
5. Indicative vote
6. RO Staff revises and publishes the Final Roadmap
7. RO staff recommends Final Roadmap to RO Board, with results of indicative vote

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

Proposals included in the Roadmap:

1. Compliance/Non-Discretionary:
    o RO staff has full discretion to include these in the Catalog and to reflect them in the Roadmap based on any required timing by FERC
    o Includes mandatory stakeholder process for tariff changes that were made due to exigent circumstances
2. Compliance with State/Local Public Policy:
    o If a State and Local Public Policy Initiative is determined to require a tariff change, the timing of the initiative would be based on the compliance timeline for the policy change's effective date, considering the RO's overall compliance obligations.

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

<u>Proposals included in the Roadmap</u>:

3. Discretionary Initiatives:
   - Emergent Operational Issues: Matters of urgent importance to the market or a particular set of participants facing reliability or economic challenges should be prioritized to reflect the urgency of the solution.
   - Discrete Initiatives: The RO staff will create a process to prioritize discrete initiatives in the Catalog. This can occur through a roundtable-type process, where SRC representatives review, assess, and prioritize initiatives by their sectors.
     - Roundtable process: SRC obtains sector level input in one or more meetings and produces report or other work product identifying stakeholder prioritization.
     - If appropriate, the SRC could recommend grouping several related initiatives together to be handled through one stakeholder process.

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

<u>Proposals included in the Roadmap</u>:

3. Discretionary Initiatives:
    - o Conceptual Initiatives: Also through the roundtable-type process, the SRC selects topics to enter the stakeholder phase of the Stakeholder Process, first starting with Stage 1 (working groups) and, then proceeding to Stage 2 (policy development), assuming that the outcome of the working groups is to proceed to Stage 2.
        - To move to Stage 1, the initiative must have support from at least two sectors of the SRC.

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

- RO staff develops the Roadmap, including prioritizing Discretionary Initiatives based on the recommendations from the SRC and RO staff. This includes identification of recommended issues to move forward to a stakeholder process.
- As part of its evaluation of which discretionary initiatives to include in the Roadmap, RO staff may use as one criterion for inclusion whether an initiative is in the top 5-10 for at least two sectors. RO staff can also include any initiative that is in the top 5-10 for any single sector with documentation on the value of the initiative.
- RO staff must provide documentation to the RO Board regarding selection of initiatives included in the Roadmap.
- There will be a formalized process for coordination between SRC/RO staff to ensure that the SRC can understand RO staff capacity and tradeoffs in developing recommendations for prioritization.
- The SRC will conduct a vote to recommend approval of the Roadmap in the process described in the Voting section. All voting results will be part of the recommendation to the RO Board.

Stakeholder Process

B. Roadmap Process: Issue Initiative Prioritization

- Following completion of the Roadmap, the RO Board must formally vote/adopt the Catalog and Roadmap. This is an added layer of approval beyond today's informational presentation.
- In order to maintain flexibility and adaptability, the RO staff should have the ability to modify the prioritization of initiatives that are identified for a stakeholder process in the Roadmap at any time, but must notify the RO Board and SRC at the next public meeting and take comment.
- The SRC would also provide input to RO staff regarding emergent issues and would work with and advise RO staff regarding any needed reprioritization to address emergent issues and major changes to initiative timelines (like deferral of a topic into a future year, for example). This could include discrete initiatives with quick solutions that may emerge out of the Catalog cycle (e.g., Price Formation Enhancements – Rules for Bidding Above the Soft Offer Cap).
- The SRC should provide a report to the RO Board on the process for developing the Catalog and Roadmap.

Stakeholder Process

2. Stakeholder Phase:

- Stage 1 – Issue Evaluation: Refinement of the Problem Statement
- Stage 2 – Policy Development: Identification of solutions

1- ISSUE IDENTIFICATION AND PRIORITIZATION   **2- STAKEHOLDER INITIATIVE PHASE**   **3- RO APPROVAL**

Annual Catalog Proposals:

Compliance/Non-Discretionary Initiatives (RO Identifies)

Catalog problem statement moves to Stage Two*

* For minor corrections or adjustments, RO staff may forgo a full stakeholder process,.

Compliance with State and Local Public Policy Initiatives (Any Stakeholder Raises)

Could move to Stage One or Two

Discretionary Initiatives (Any Stakeholder Raises)

Stage Two: Policy Development
- Small ad hoc working groups develop under SRC oversight
- SRC may develop standing committees
- Work group helps RO staff weigh stakeholder input
- Problem statement becomes final proposal, after at least one stakeholder meeting and comment period
- RO staff develops the final proposal and SRC votes before it moves to the RO Board.

Stage One: Issue Evaluation
- SRC identifies sponsors to work with all stakeholders
- Working groups form around catalog issues
- Initial initiative idea becomes discrete problem statement

Refined problem statement moves to Stage Two

Final Proposal Moves to RO Board

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Stakeholder Process

Stage 1 – Initiative Problem Statement: What is the objective of the stakeholder initiative and what are the issues and problem statements to be solved?

- All non-discretionary and discrete initiatives will have adequate problem definition in the Roadmap process and will not require a Stage 1 process.
- For conceptual initiatives that are prioritized in the Roadmap to move to the stakeholder process, the SRC would identify sector "sponsors" for the Issue Evaluation Stage. These sponsors act as stakeholder chair/co-chair of the Work Group and partner with RO staff to move the working group forward through to the policy development stage and ultimately to resolution.
- State and local public policy initiatives can follow either the "discrete" or "conceptual" path depending on the scope and definition of the change required to comply with the public policy.

Stakeholder Process

Stage 1 – Initiative Problem Statement: What is the objective of the stakeholder initiative and what are the issues and problem statements to be solved?

- The sector sponsors would develop guidelines for the work in Stage 1, including a timeline, number of working group meetings, role of stakeholders in presenting/participating in working groups, and when the working group phase should be concluded and transitioned to policy development phase. RO staff and the SRC would determine, based on stakeholder input through comments and/or voting, when the Work Group's objectives are achieved.
- Once the initiative has one or more problem statements, the SRC conducts a vote to determine a recommendation for RO staff to move the initiative to Stage 2.
- If the initiative already has a problem statement as proposed in the Catalog/Roadmap phase and does not appear to require additional problem statements and scoping, the initiative moves directly to Stage 2.
- Non-discretionary and discrete initiatives may have adequate problem statements identified as part of the Catalog/Roadmap process, and may not require working group development as part of Stage 1. The SRC has the option to create a working group for discrete initiatives, however, where appropriate.

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Stakeholder Process

Stage 2 – Policy Development: Identification of solutions

<u>W</u>ho has responsibility for developing straw proposal solutions?

1. Compliance/Non-Discretionary:
   - o FERC Rulemaking responses
     - ▪ RO staff should develop the straw proposal for stakeholder review.
   - o Exigent circumstances tariff change review/adoption
     - ▪ RO staff should develop the straw proposal for stakeholder review. This review should kick off no later than 30 days after FERC approval and must be approved by the Board within 6 months or the Board can extend the exigent tariff changes pending further stakeholder development.
   - o Minor corrections or adjustments
     - ▪ RO staff may forgo a full stakeholder process, but should notify the SRC, market participants, and RO Board.

Stakeholder Process

Stage 2 – Policy Development: Identification of solutions

2. *Compliance with State and Local Public Policy*: States Committee/BOSR members can put forward a straw proposal or recommend a Work Group to identify and discuss proposals to address compliance with the state/local policy issue.

3. Discretionary Initiatives:

- o Emergent Operational Issues
  - RO staff should develop the straw proposal for stakeholder review.
- o Discrete Initiatives:
  - RO staff are responsible for driving the initiative towards a solution, conducting one or more public stakeholder meetings and comment periods and preparing straw proposals. This is similar to CAISO's current stakeholder process.
  - The SRC sector sponsors may take the lead in the development of a straw proposal.
- o Conceptual Initiatives:
  - Conceptual initiatives from Stage 1 will evolve into discrete initiatives in Stage 2.

Stakeholder Process

Stage 2 – Policy Development: Identification of solutions

- The Work Groups are ad-hoc committees: created specifically to address the topic of the Work Group, created and dissolved at the discretion of the SRC, may continue work on an initiative for several years and may take on additional topics or initiatives as identified in future Roadmaps if needed.

    - Work Group co-chairs may use indicative voting at any time to evaluate progress or break up stalemates.

- The SRC may create Standing Committees to work on initiatives within broad categories like GHG or Balancing Authority issues.

- The RO staff can establish the maximum number of Stage 1 and Stage 2 processes the RO can support based on the annual budget for stakeholder initiatives.

- RO staff support the Work Groups in coordination with the stakeholder co-chairs. One approach used in other regions that may encourage coordination and collaboration between the RO staff and a Work Group is the use of one stakeholder representative and one RO staff representative as co-chairs (or a chair and vice-chair).

Stakeholder Process

Stage 2 – Policy Development: Identification of solutions

- During the policy development phase, the Work Group would continue to assist RO staff with weighing stakeholder input, on an as-needed basis, to help ensure alignment with issue statements developed during the policy development phase.
- RO staff would retain primary role in weighing/responding to stakeholder comments and formulating proposal revisions for stakeholder consideration.
- Once a straw proposal is developed, the SRC should conduct a vote to make a recommendation for RO staff to move the straw proposal (or revised straw proposal, as applicable) to a final proposal, with at least one stakeholder meeting and comment period.
- The RO staff will develop the final proposal recommendation and the SRC will vote on the final proposal before it moves to the RO Board. All voting results will be part of the recommendation to the RO Board.

Stakeholder Process

3. Approval by the RO Board

- Upon issuance of a Final Proposal by the RO staff, the proposal is ready to be presented for approval by the RO Board.

- RO staff takes the lead in preparing materials for Board consideration. Those materials should include all voting results and summaries of comments and positions from stakeholders. The SRAC provides opinions to the RO Board on key decisional items—most likely Discrete initiatives in which the SRC elected to take an advisory role, and Conceptual initiatives.

The SRC may:

- ❏ Produce documents for the RO Board in connection with policy decisions – e.g., an opinion reflecting stakeholder views on a proposal, identifying open or unresolved issues, and the results of the indicative organization and sector voting (in support of, in opposition to, or neutral on) a policy proposal.

- ❏ Analyzing and reporting to the RO Board whether the initiative adequately addressed policy priorities identified by stakeholders.

1- ISSUE IDENTIFICATION AND PRIORITIZATION　　　　**2- STAKEHOLDER INITIATIVE PHASE**　　**3- RO APPROVAL**

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Final Proposal Moves to RO Board

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Areas for Stakeholder Feedback

- Feedback regarding the level of stakeholder driven process vs. RO staff driven process. Is there enough ability for stakeholders to drive the process and / or enough ability for the Board to manage resources and drive processes to conclusion?
- Feedback regarding your ability to support this potential framework from a resource perspective. What aspects would enable your organization to participate effectively within the proposed structure or what barriers to participation does it create?
- Do you feel that your sector could support participation from a resource perspective and does that address individual barriers to participation?
- Feedback and reactions on the overall process proposed.

Voting

Voting Overview

- Voting has a number of potential benefits for stakeholder engagement and in developing beneficial market enhancements.
- Voting should be structured to motivate compromise and collaboration.
- Voting results will be made public and should be able to be tabulated across different groups and sub-groups.
- Voting is advisory or indicative but should serve as influential data for consideration by the RO Board in decision making processes.

Who Votes?

- **Sector representatives on the SRC. Each sector has one vote.**

- The sector votes are based on the results of a vote of all the registered organizations. SRC representatives will facilitate votes of the individual organizations in their sectors to determine the position of the sector-level voting.

- Cross-sector processes will be defined to ensure consistency in how votes are conducted. The RO staff will create an automated voting and reporting system that can be used for all voting processes.

- In order to vote, a stakeholder must register in a specific sector with the RO (no fee) and agree to a code of conduct as a stakeholder.

- Stakeholders who elect not to agree to a code of conduct and registration could still participate and comment but would not be voting.

- Disputes regarding sector assignments will be reviewed by the RO Board.

When do groups vote/trigger for voting

Votes are conducted at the following stages in the process:

Policy Roadmap process:

1) Catalog/Roadmap prioritization: vote to recommend approval of the Roadmap (Advisory to RO Board)

Work Group/Initiative Process:

1) Problem statement/scope definition: vote to recommend moving forward from Work Group to initiative (Advisory to RO staff)
2) Straw proposal: vote to recommend moving forward to draft final proposal (Advisory to RO staff)
3) Final proposal: vote to recommend moving a proposal to the RO Board for approval. (Advisory to RO Board)

*Note that some initiatives, such as compliance-driven initiatives, may not pass through all the process above. The RO Board or staff may call for a vote at other stages of the process at their discretion. Stakeholders may also propose holding a vote at other stages, and stakeholders as a whole would have to vote to proceed to a vote.

How is voting used?

- Voting is advisory and provides visibility and guidance to the SRC, the market operator, States Committee/BOSR, RO Staff, and the RO Board.

- Voting is indicative of whether widespread support exists for an initiative/issue and whether any particular sectors or similarly situated subgroups are strongly opposed.

- Additional tools to build compromise and collaboration: automatic remand, elective remand, elective override

Additional Tools: Automatic Remand

- Specific criteria would be defined to determine a threshold for "significant opposition" to trigger a remand to the stakeholder process to address the stakeholder concerns and to achieve broader support

Suggested criteria for "significant opposition":

1) Strong opposition in sectors. Strong opposition is defined as: one third of sectors at 70% or more opposed (percentage refers to the underlying votes in the sector).
2) Lack of consensus. A simple majority of sectors opposes.

Additional Tools: Automatic Remand

- A proposal may continue forward despite significant opposition if the RO staff believe the initiative:
    - Is time-sensitive
    - Has importance to the justness and reasonableness of the overall market or
    - Addresses particular circumstances of a market participant or group of participants.
- If this occurs, the RO staff should seek and receive approval from the RO Board to continue the process.
- A remand to the stakeholder process could apply to a full initiative or part of the initiative if these are severable. If an initiative had multiple elements, staff would have the discretion about which level or group of elements on which to conduct voting based on written and verbal stakeholder comment.

Additional Tools: Elective Remand

- If the RO staff is poised to make a recommendation or RO Board is poised to make a decision that is counter to the recommendation from the stakeholder vote, the Board or staff could elect to send the issue back to the stakeholder process to address the stakeholder concerns prior to outright rejection.
- The RO Board also retains the flexibility to choose to send an issue/decision back to the stakeholder process even if it did not meet the automatic remand criteria.

Additional Tools: Elective Override

- RO staff or Board could override the stakeholder majority opinion (or specific "opposition" criteria) if the staff or Board decides that a proposal should move forward nonetheless, notwithstanding stakeholder opposition.

- Such an override should be based on consideration of the Board's overall responsibility for the markets. The RO Board or staff, as applicable, would provide an explanation for the decision, such as an identification of over-riding concerns like protecting consumer interests, addressing time-critical circumstances, or mitigating undue impacts on a particular region or group of entities.

- RO staff may also present a recommendation to the RO Board which may or may not align with the stakeholder recommendation subject to the RO board's approval of overriding stakeholder views.

- The RO Board could be the final arbiter of approving an override recommended by the RO staff, or the RO staff could be delegated authority at discrete stage gates to reach that judgment on its own.

Voting information available to RO Board

A tabulated report of all underlying votes below the sector level is available to the RO Board and will also be made public. This includes information about stakeholder characteristics that can create different stakeholder "groups".

Potential tabulations include:

- Geography (e.g., SW, CA, NW)
- Sector
- Line of business (PTO, IOU, COU, Marketer, IPP, DR provider, Consumer Advocate, PIO, etc)
- Supply and load

Areas for Stakeholder Feedback

- Feedback and reactions the voting structure being proposed (sector and individual votes, stage gates, remand, significant opposition, etc.).

- Based on the structure proposed regarding voting tabulation and transparency of voting, what other characteristics are important to note about entities (outside of sectors) in voting?

- Are there other areas during the process where a vote or comments would be needed or could be useful?

Let's Be Sure We're All Talking About the Same Thing

GRIDWORKS

- What was one part of the Discussion Document you found unclear?

  Fill out poll on Slido to answer question

  slido.com
  #4123 942
  Passcode: 3q9miy

- What may be missing from the Discussion Document?

BREAK

Stakeholder Discussion

1. Which aspects of the Discussion Document are you most comfortable with?

Fill out poll on Slido to answer question

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#4123 942
Passcode: 3q9miy

2. Which aspects of the Discussion Document do you feel most challenged by?

Fill out poll on Slido to answer question

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3. What changes would strengthen the Discussion Document?

Fill out poll on Slido to answer question

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#4123 942
Passcode: 3q9miy

4.   What is your reaction to the Discussion Document on a scale of 1 (unhappy) to 5 (pleased)?

Fill out poll on Slido to answer question

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Passcode: 3q9miy

Next Steps and Closing

1. Takeaways from today's discussion will be integrated into the existing Interim Report.

2. Stakeholder Comment Period

   ▪ *Submit comments via email to Comments@WestWidePathwaysInitiative.org by September 11, 2024*

Please take a couple of minutes to leave us feedback via this survey:
https://forms.gle/4HeJSEi2Wi8YcGR97

HOW CAN WE HELP?

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