

West-Wide Governance Pathways Initiative

Stakeholder Meeting

May 31, 2024



West-Wide Governance Pathways Initiative

Agenda

1. Welcome and agenda review (Kathleen and Pam)
2. Step 1 Final Proposal (Evie)
3. Phase II/Step 2 Work Plan and Timeline (Spencer)
4. Budget Update (Lisa)
5. Public Comment
6. Next Stakeholder Meeting and wrap up (Kathleen and Pam)



An aerial photograph of a river winding through a mountainous, forested landscape. The river is dark and contrasts with the lighter, textured terrain. The text "Step 1" and "Final Proposal" is overlaid in blue. A solid orange vertical bar is on the left side of the image.

Step 1 Final Proposal



Pathways Initiative

Stepwise Process

Step 1

Elevate WEIM/EDAM Governing Body authority in the governance of existing CAISO energy markets

Step 2

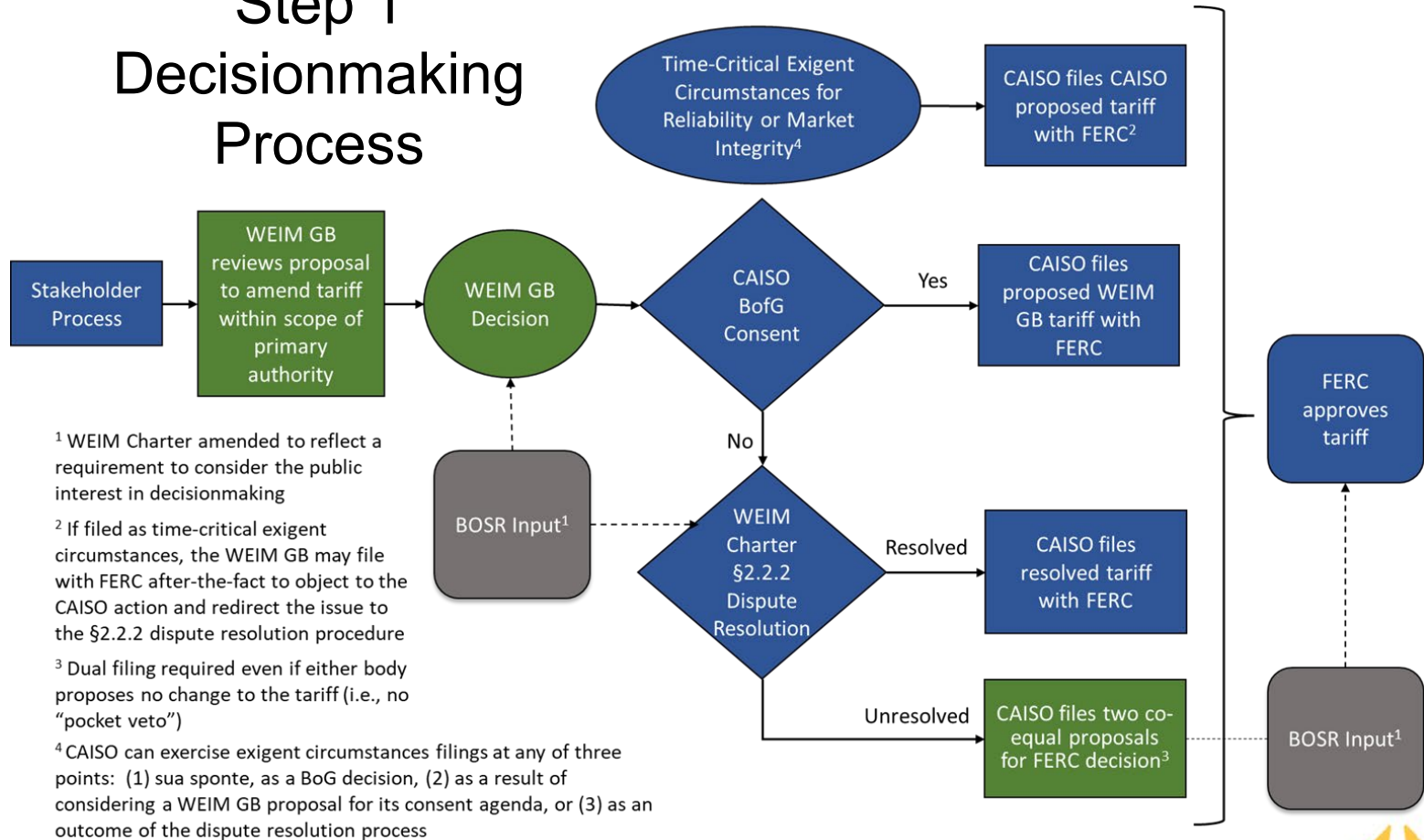
Transfer governance authority over existing energy markets from CAISO to a new Regional Organization

Step 3

Continue expanding the scope of regionalized functions and services offered by the Regional Organization



Step 1 Decisionmaking Process



Integration of Step 1 Comments

Key Changes

- Expand responsibility of WEIM/EDAM Governing Body to respect both “state and local” policies
- Highlight the existing right of WEIM Governing Body to commence a governance review in consultation with the CAISO Board in the event of EDAM exit by a substantial number of EDAM entities
- Clarifications
 - Operation of the dual filing/jump ball process
 - Purpose and operation of the trigger
 - Meaning of “exigent circumstances”
 - Role of the Body of State Regulators
 - “Applies to” test for determining the scope of Joint Authority
 - Existing WEIM Charter §2.2.2 dispute resolution process



CAISO Step 1 Stakeholder Process/Timeline

- Once Step 1 is finalized by the Launch Committee, submit proposal to the Chairs Shori and Campbell (early June)
- Chairs will acknowledge proposal and direct staff to conduct a public stakeholder process which will include:
 - Public stakeholder call with LC presenting (mid-June)
 - 3-week comment period
 - Launch Committee response period (TBD)
 - Public meeting for Joint decision on Step 1 proposal (special meeting late July/early August)
- Launch Committee will be involved, presenting the proposal during the public call and reviewing comments
- Encourage robust engagement from stakeholders during the comment period; offer support for additional meetings with stakeholders (potentially BOSR and RIF forums) as needed
- Governance documents and tariff changes would be drafted and brought for decision at later date, closer to trigger being met



Public Comment



Public Vote

Vote Language:

1. **Support** the West-Wide Governance Pathways Initiative (Pathways) Step 1 proposal to advance it to the California Independent System Operator (CAISO) for further public process and implementation.
2. **Support** advancing the Step 2 proposal for further development by the Launch Committee.



An aerial photograph of a winding river, likely the Grand Canyon of the Yellowstone, flowing through a rugged, mountainous landscape. The river is a dark, winding line that cuts through the lighter, rocky terrain. The mountains are steep and have a textured, rocky appearance. The overall scene is a high-contrast, black and white aerial view.

Phase II/Step 2 Work Plan and Timeline



Phase II Work Plan

- Phase II of the Pathways Initiative will consist of refining the Step 2 proposal, and run from June-December 2024.
- Step 2 has numerous open questions and remains under development as described in the straw proposal.
- Step 2 Work Streams have been created, with two leads assigned to each, to address open issues.
- Some topics will be addressed in public virtual workshops (topics and dates still under development) during the summer, open to all stakeholders.
- The Stakeholder Process Work Stream will be addressed through an independently facilitated process to structure more opportunities for stakeholder participation.



Step 2 Work Streams and Leads

- **Stakeholder Process:**
 - Leads: Pam Sporborg and Kathleen Staks
 - Example issues: policy topic framing, sector-based approaches
- **CAISO Issues:**
 - Leads: Spencer Gray and Evelyn Kahl
 - Example issues: RO financial liability, contract privity
- **Existing Tariff Analysis:**
 - Leads: Tony Braun and Scott Ranzal
 - Example issue: balancing authority function identification
- **Public Interest Issues:**
 - Leads: Carl Linvill and Kathleen Staks
 - Example issue: BOSR evolution
- **RO Formation:**
 - Leads: Lisa Hickey and Evelyn Kahl
 - Example issue: form of incorporation
- **RO Governance:**
 - Leads: Jim Shetler and Jan Smutny-Jones
 - Example issues: RO board nomination, RO funding source



Budget Update



Phase I, II and III Assumptions

- Phase I will be completed with the delivery of a Step 1 final proposal to CAISO and scoping of a Step 2 work plan with anticipated completion by or before July 1, 2024
- Additional funding will be needed to support Phase II and Phase III work by the Launch Committee
- Phase II will consist of work to develop and finalize a Step 2 proposal and is anticipated to run from July-fall 2024
- Phase III will consist of work to implement Step 2 and is anticipated to run from fall 2024-Q1 2026



Phase II – Finalize Step 2 Recommendation (July 2024 – Fall 2024)

- Additional legal review as necessary for Options 2.0 & 2.5
- Develop initial implementation and on-going market operation cost estimates for Options 2.0 & 2.5
- Propose stakeholder process, including role of “states” committee, with consultants
- Make final recommendation for Step 2, including stakeholder engagement proposal
- Publish and gather stakeholder input on final recommendation
- Continue with Utilicast PM support and Global Impact financial sponsorship support thru 12/31/24
- Estimated cost (with contingency) = \$450,000



Phase III – Implement Step 2 Recommendation (Fall 2024 – 1st Quarter 2026)

- Establish “Formation” Committee (Subset of LC & WEIM GB). LC continues to be engaged & provide support
- In conjunction with CAISO, develop tariff amendments, bylaws, nominating committee process, and details of stakeholder process (legal assistance as appropriate)
- Retain placement firm to assist in board selection (and selection of management team if necessary)
- Create nominating committee for board selection
- Monitor legislative and CAISO actions
- Continue with Utilicast PM support (reduced level) and Global Impact financial sponsorship support
- Estimated cost (with contingency) = \$636,000
- LC terminates with approval of tariff and seating of independent board



Public Comment



Next Stakeholder Meeting

- The next stakeholder meeting will be from 10:30-12:00 PST on June 28, 2024.
- Stakeholder meeting information and all WWGPI materials are located on the WIEB landing page and can be accessed at: [WWGPI - Western Interstate Energy Board \(westernenergyboard.org\)](https://www.westernenergyboard.org)





Thank You.



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