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)
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

1 WEIM Charter amended to reflect a requirement to consider the public interest in decisionmaking
2 If filed as time-critical exigent circumstances, the WEIM GB may file with FERC after-the-fact to object to the CAISO action and redirect the issue to the §2.2.2 dispute resolution procedure
3 Dual filing required even if either body proposes no change to the tariff (i.e., no "pocket veto")
4 CAISO can exercise exigent circumstances filings at any of three points: (1) sua sponte, as a BoG decision, (2) as a result of considering a WEIM GB proposal for its consent agenda, or (3) as an outcome of the dispute resolution 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.
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

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\text{Placement Firm} = \$150,000 \\
\text{Contingency} = \$106,000 \\
\text{Financial Sponsor} = \$40,000 \\
\text{Legal Support} = \$100,000 \\
\text{Project Management} = \$240,000
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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)
Thank You.