

**Joint Comments on  
West-Wide Governance Pathway Initiative  
Phase One Straw Proposal  
October 16, 2023**

Submitted via email to [clinvill@raponline.org](mailto:clinvill@raponline.org) and [avalainis@raponline.org](mailto:avalainis@raponline.org).

**Background and Introduction.**

The Western Resource Advocates (WRA), NW Energy Coalition, Renewable Northwest and Sustainable FERC Project, the “Joint Commenters,” appreciate the opportunity to provide comments on the West-Wide Governance Pathway Initiative Phase One Straw Proposal, dated September 29, 2023 (“Straw Proposal”).<sup>1</sup>

The Joint Commenters are encouraged by the stakeholder response to the WWGPI (“Initiative”). The Initiative received 35 sets of comments from a broad set of stakeholders West-wide on this concept, including some that represent multiple entities. Overall, the Straw Proposal is a solid starting point from which the Launch Committee can proceed. For example, the proposed process balances the need to move quickly with the time pressure on stakeholders and shows flexibility in response to feedback; and it is open, transparent, inclusive and prioritizes diversity. It also reflects the Initiative’s commitment to develop a process and an end product that is truly Western stakeholder driven.

The Joint Commenters appreciate that our recommendations were considered and many included in the Straw Proposal, e.g., providing flexibility in the schedule; criteria for the initial Board members; a diverse, sector-based committee to lead Phase One whose members will be appointed by their respective sectors; and the use a professional recruitment firm to assist in the efforts to establish the first board.<sup>2</sup>

There are still questions to be answered, but the Initiative is transitioning from a State led process to a multisector process, as it should. It is more appropriate for the next level of detail to come from the multisector Launch Committee which is currently being established.

**Scope.** We strongly support the Initiative’s goal, to create an entity that could allow the independent governance of the Western EIM and Extended Day-Ahead Marked (EDAM) and enable a path forward for a potential West-wide fully organized market (and RTO), should participants in this effort so choose. A question has arisen about expanding the Initiative’s scope to also include potential market options that are not being offered or even being contemplated now but could arise in the future.<sup>3</sup> We support maintaining the Initiative’s focus and reserve considering this scope expansion if and when something concrete arises.

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<sup>1</sup> The WWGPI Phase Zero Comments Response & Phase One Straw Proposal is available at: <https://www.westernenergyboard.org/wp-content/uploads/WWGPI-Phase-1-Proposal-09-29-23-Final.pdf>.

<sup>2</sup> PIO Joint Comments on West-Wide Governance Pathway Initiative, Overview and Questions for Stakeholders (September 11, 2023) available at: <https://www.westernenergyboard.org/wp-content/uploads/Comments-of-Public-Interest-Organizations.pdf> (“September 11 Comments”).

<sup>3</sup> A full RTO that includes the CAISO Balancing Authority and is operated by the CAISO is contemplated in this Initiative.

**Guiding Principles.** We agree that the “Multi-state Electric Organization Principles” should be incorporated into the Initiative. (Straw Proposal, p. 3.) These are consistent with the PIO good governance principles.<sup>4</sup> It is crucial that the governance, including the stakeholder process, is open, transparent and provides equal opportunity to diverse stakeholders. We recommend that the Initiative also include adaptability as a guiding principle.<sup>5</sup> The Initiative provides the opportunity to separate the discussion from existing market institutions and enable a fresh look at certain structural and governance issues in light of more recent research. We have the benefit of a look back at governance structures that have been operational for many years and the opportunity to develop governance without the shortcomings associated with those structures.<sup>6</sup> We have the opportunity to design governance that better reflects Western priorities and the current and future realities of the environment in which electricity is produced and delivered.

**Prioritizing Legal Questions.** We support giving the highest priority to establishing and defining the options that will be considered for the structure that will deliver the Initiative’s vision and determining any barriers or complexities associated with specific options, for example, whether a specific option will require legislation to implement. This means getting to the legal analysis as soon as possible.

**Independent Legal Advice.** The Joint Commenters support utilizing independent legal advice as well as maximizing the use of “in kind capacity.” (Straw Proposal, p. ---). If funding is not immediately available to support independent legal advice, we propose for consideration the following. Request, as early as possible, that CAISO perform a legal analysis and share their legal team’s findings with the Initiative. The Initiative supported attorney/s can include a review of CAISO’s legal analysis in the scope of their work. It is unlikely that CAISO will move forward based solely on third party legal advice, so in the end, this would likely be included in the scope of the Initiative legal analysis no matter the timing.

**Establishing the Launch Committee.** The Joint Commenters support a diverse, sector-based Launch Committee and the sector self-selection process included in the Straw Proposal. The odds of succeeding in this effort will be handicapped by a a committee that it too large. It will be important to balance diversity of perspective with a manageable size that is conducive to effective decision-making. When establishing the Launch Committee, and its size, consider the following, finding meeting dates that work for the members of the committee and quorum requirements, fostering a full discussion with all committee members during the meetings and working towards the goal of consensus among all committee members.

**Launch Committee Voting.** The Joint Commenters support prioritizing Launch Committee consensus before resorting to a vote. (Straw Proposal, p. 7.) When a vote becomes necessary, we generally support the one vote per sector approach as a possible solution to address any

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<sup>4</sup> September 11 Comments at 2-3.

<sup>5</sup> September 11 Comments at 2-3, 8.

<sup>6</sup> September 11 Comments at 7-8.

imbalances created by the ultimate composition of the Committee. (Straw Proposal, p. 7.)<sup>7</sup> We reserve further comment on voting until the Launch Committee is established.

Some questions to consider in developing principles by which the voting options would be evaluated include the following:

- How will the method instill trust in the process, for example is it understandable and transparent?
- Will the method, as it is applied to the voting population, give any sector or organization veto power or undue influence?
- Does the method promote consensus and produce outcomes that reflect the diversity of interests among stakeholders?
- Can the method be used to serve market participants' interests at the expense of advancing proposals that enhance market efficiency?

**CAISO Participation.** The Initiative is independent of CAISO. However, given the goal and scope of the Initiative, CAISO's expertise and perspective are important. We propose bringing CAISO into the process as early as possible, for example, as subject matter experts and with observer status during some meetings.

**Stakeholder Support.** We commend the Initiative for the open and transparent process. Important documents like proposals and individual comments are posted on an accessible webpage and easily located. Meetings are recorded and, again, the recordings are posted on an accessible webpage and easily located. This provides true transparency and is especially important for stakeholders who are unable to make every meeting or attend to every notice and stakeholders who come the process midstream. For, example by visiting the webpage stakeholders can see the historical development of proposals, and more importantly, find the version of a proposal that is currently under consideration. In addition, the Initiative has been responsive to stakeholder concerns about time pressures. A stakeholder process should not only assist stakeholders in their efforts to be educated and informed, but also to encourage this, and we are supportive of the process thus far.

We appreciate the opportunity to engage in the WWGPI. We look forward to ongoing engagement in this Initiative and with other stakeholders in the West.

*/s/ Elaine Ginocchio*  
Governance Policy Consultant, Regional Markets  
Western Resource Advocates  
[agpolsol@outlook.com](mailto:agpolsol@outlook.com)

*/s/ Vijay Satyal*  
Deputy Director, Regional Energy Markets – Clean Energy Programs

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<sup>7</sup> One vote per sector also has other benefits. For example, it can be more efficient because it encourages compromise within a group with more commonality before reaching the Launch Committee level.

Western Resource Advocates  
[vijay.satyal@westernresources.org](mailto:vijay.satyal@westernresources.org)

*/s/ Kelsie Gomanie*  
Advocate, Sustainable FERC Project  
[kgomanie@nrdc.org](mailto:kgomanie@nrdc.org)

*/s/ Nicole Hughes*  
Executive Director, Renewable Northwest  
[nicole@renewablenw.org](mailto:nicole@renewablenw.org)

*/s/ Lauren McCloy*  
Policy Director, NW Energy Coalition  
[Lauren@nwenergy.org](mailto:Lauren@nwenergy.org)