



West-Wide Governance Pathways Initiative

Virtual Stakeholder Meeting

September 29, 2023

Agenda

- Welcome
Chair Patrick O'Connell
New Mexico Public Regulation Commission
- California Background and Perspectives on the Pathway Initiative Proposal
President Alice Reynolds
California Public Utilities Commission
- Responses to Phase 0 Stakeholder Comments
Commissioner Letha Tawney
Oregon Public Utility Commission
- Proposed Phase 1 Process Plan
- Next Steps and Action Items



Welcome

*Chair Patrick O'Connell
New Mexico Public Regulation Commission*



California Background and Perspectives on the Pathway Initiative Proposal

*President Alice Reynolds
California Public Utilities Commission*

Needs We Heard

- Need for a venue to discuss long term potential and pathways for regionalization
- Need for a pathway to independent governance of CAISO's market services
- Need for a pathway to an RTO for those that are interested in it
- Need for a pathway to a large market footprint, including CA



Principles
Considered

Maximize Benefits

Equitable Representation

Independence & Autonomy

Optionality & Flexibility



The Proposal

- Approaching independent governance differently
- Development and launch of a new entity
- Broad stakeholder process
- Building on investments in and success of EIM
- Process to run parallel to EDAM development
- Realizing cost-savings from west-wide market
- Increasing reliability throughout the West through visibility and optimization of resources
- Providing options for additional services, including RTO if desired

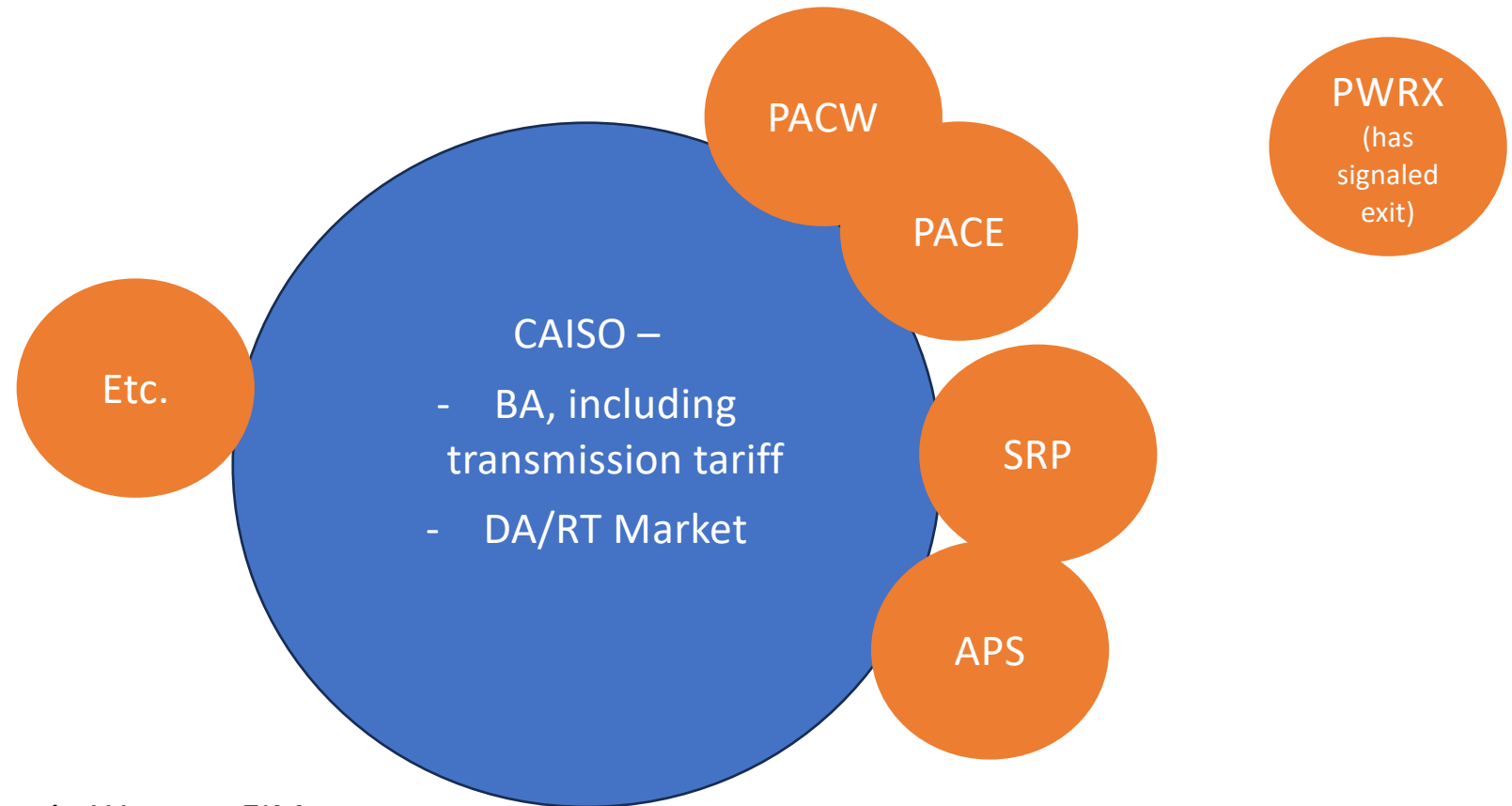


Phase 0 Comments

*Commissioner Letha Tawney
Oregon Public Utilities Commission*

Today

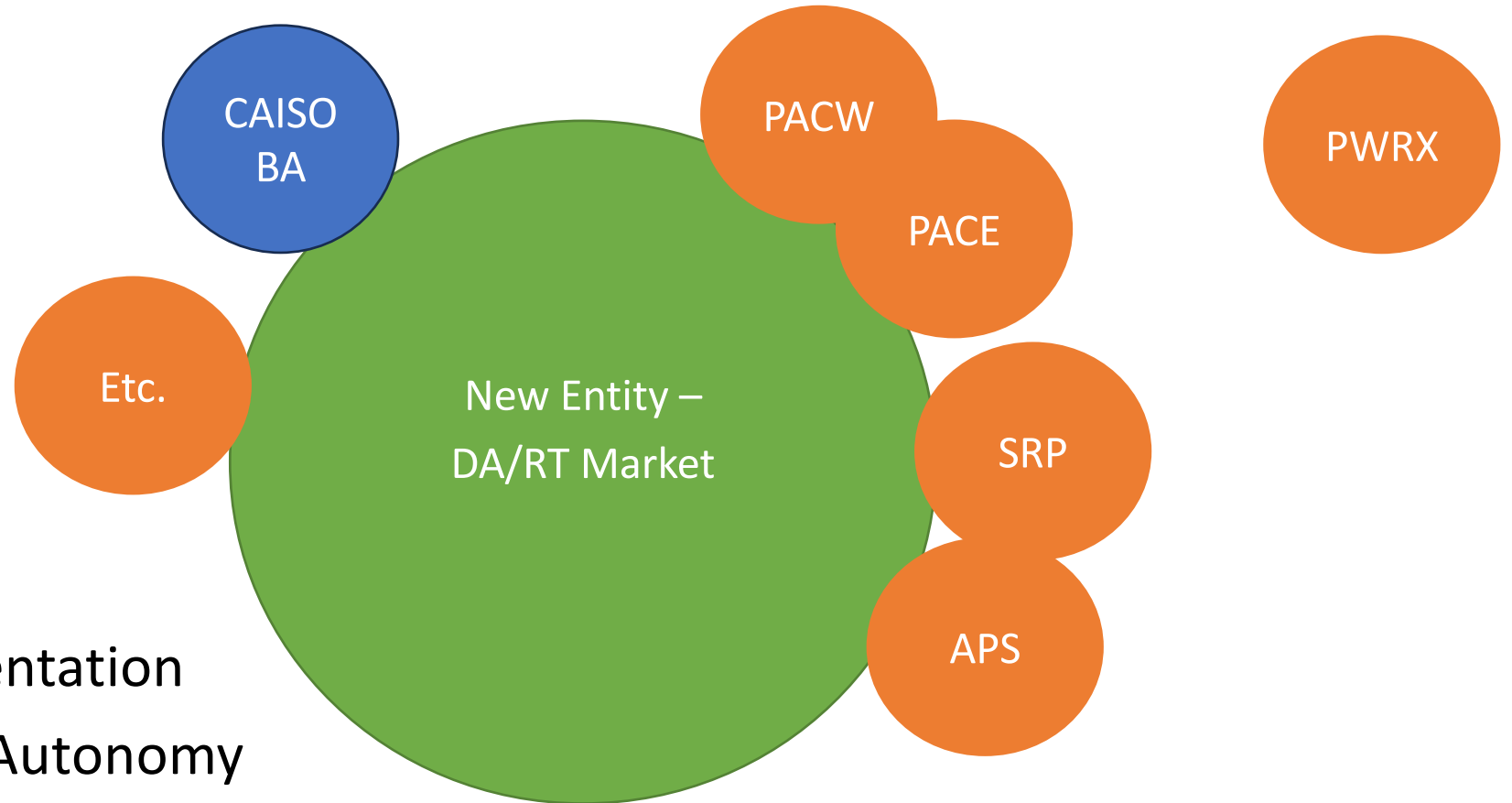
CAISO embodies two roles – both a BA and regional market services
Other BAs can join/leave the market service, the CAISO BA cannot



There are many BAs participating in Western EIM –
this is merely a simplified illustration

Tomorrow

New Entity provides the market service but not BA services
All BAs can join/leave the market service

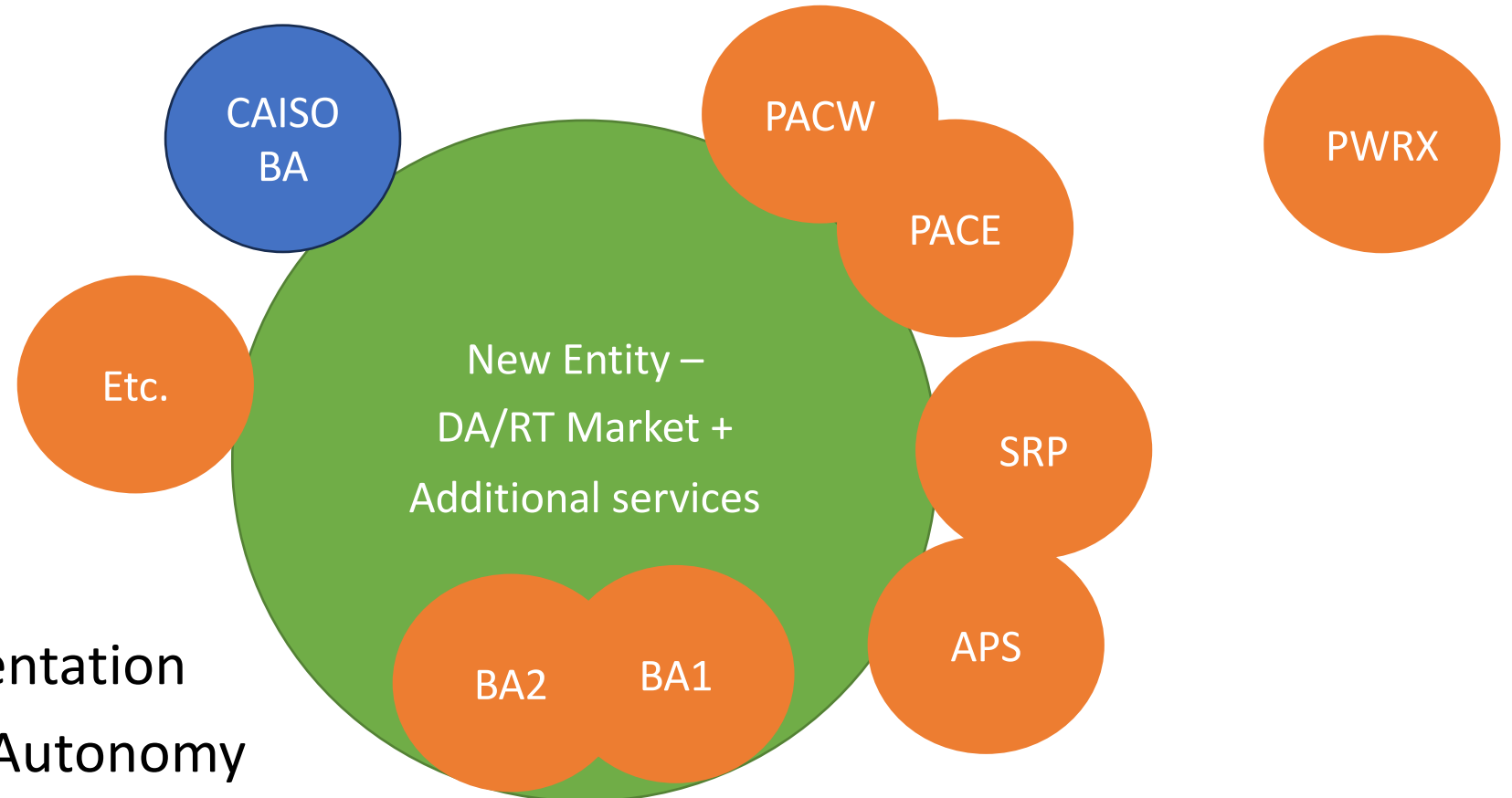


- Equitable Representation
- Independence & Autonomy
- Optionality & Flexibility

Future Optionality

New Entity provides the market service

Some BAs can decide to move towards additional services, while others remain only in the regional market



- Equitable Representation
- Independence & Autonomy
- Optionality & Flexibility

Clarifying Intentions and Scope

What It Is

- Solving a stated barrier
- Maximizing customer benefit
- Utilizing existing investments
- Building for flexibility - stop at RT, add DA or build an RTO

What It Is NOT

- Slowing EDAM
- An RTO
- An RFP

Viability & Legal Analysis

- Path to implementing the vision requires stakeholder engagement
 - e.g. - comments show range of views on 'sufficient independence'
- Path is shaped by:
 - Scope of the entity
 - How the CAISO BA and CAISO as a market operator relate to the new entity
- Launch Committee will examine pros / cons of scopes and forms – “scenarios” – informed by legal expertise
- This proposal is different from the Transition Committee’s evaluation – and can learn from their good work
- The CAISO contracts for services today and the CAISO BA could engage an external entity for market services, as other BAs do

Transparency: a core value

- Posting meetings, recordings and documents to the WIEB site
- Pre-scheduling monthly stakeholder sessions; virtual & recorded
- Creating distribution list – contact Carl at clinvill@raponline.org.
- Funding:
 - All funding to date is 501(c)(3) – See [RAP's Guide Star Profile here](#)
 - Additional funding needs and sources to be considered by the Launch Committee



Phase 1 Overview

Jennifer Gardner

Phase 1 Straw Proposal

Launch Committee

Stakeholder-comprised committee that directs the work in Phase 1

Representative of all stakeholder sectors and geographically diverse

Utilizes a working group structure to address Phase 1 issues

Facilitates a stakeholder process with assistance from RAP facilitators

Working Groups

Working groups assigned by Launch Committee

Each group to address specific topics, including the viability analysis and corporate documents

Will develop issue papers to be vetted with Launch Committee and stakeholders

Nominating Committee

As with Launch Committee, representative of all stakeholder sectors and geographically diverse

Formed at the end of Phase 1

Identifies and seats Founding Board, which is seated in Phase 2

Launch Committee – Responsibilities

Note that working groups can be formed to address the specific issues below.

- Agree on a timeline and milestones for Phase 1.
- Agree on a funding and staff support strategy for Phase 1.
- Utilizing independent legal advice, determine the feasibility of various scenarios (i.e., corporate structures and scopes) for the independent entity.
- Decide on the form, mission, and scope of the independent entity.
- Develop the charter to guide the initial work of the independent entity.
- Seat the Nominating Committee near the end of Phase 1.

Launch Committee & Nominating Committee

Stakeholder Sectors

- Western States
- Consumer Advocates
- California Utilities
- Utilities outside of California
- IPPs and Power Marketers
- Public Power and Consumer-Owned Utilities
- Federal PMAs
- Public Interest Organizations



Decision-Making

- Consensus is the default.
- Where consensus is not possible, a simple voting framework could be developed.

Forming the Launch Committee

- States request stakeholder volunteers to help form the Launch Committee by October 6
- States will organize a meeting the week of October 9 for these volunteers to accomplish the following:
 1. Agree to the sectors represented on the committee;
 2. Identify the geographic representation of sectors critical for a strong regional committee;
 3. Conduct outreach to sectors to obtain suggestions for sector representation on the committee; and
 4. Form the Launch Committee by October 20

Looking Ahead – Phase 2 and the Foundational Board

- Preliminary board; not necessary to meet FERC independence requirements for RTOs
- Establishes the non-profit entity; begins negotiations to enable entity to contract for market services
- Exists until “triggering event” – i.e., independent entity contracts for market services
- Seats the permanent, fully independent board in anticipation of the triggering event



Timeline

Phase 0: July 2023 – September 2023

- Preparatory Work
- Stakeholder Input

Phase 1: September 2023 – January 2024

- Seat Launch Committee (at beginning)
- Launch Committee facilitate stakeholder process
- Establish Nominating Committee (towards end)

Phase 2: January 2024 – May 2024

- Nominating Committee process kicks off: identify, interview, and select qualified candidates for independent entity's foundational board
- Seat Foundation Board by March 2024
- Establish the non-profit entity by April 2024

Next Steps

- Meeting recording will be posted at the [WIEB landing page](#) for the Pathway Initiative (WWGPI)
- Please send responses to questions by Oct 13 to clinvill@raponline.org or avalainis@raponline.org
- Please consider volunteering to help form the Launch Committee by October 6 – notify clinvill@raponline.org
- Carl/RAP will coordinate meeting of volunteers for the week of October 9th
- Look for us at CREPC! Make appointments with Carl from October 4 to 6 [here](#)

Please come to our Phase 1 monthly stakeholder meetings:

- Oct. 20, Nov. 17, Dec. 15, Jan. 19
- 10:30 am – 12:00 pm PT/11:30 am – 1:00 pm MT