

**Memorandum of Understanding
Between the
Western Energy Imbalance Market – Body of State Regulators
and the
Western Interstate Energy Board**

This Memorandum of Understanding (MOU) is entered into as of [DATE], by and between the Western Energy Imbalance Market-Body of State Regulators (EIM-BOSR) and the Western Interstate Energy Board (WIEB), also referred to hereinafter as “Party” or “Parties.”

Introduction

The Western EIM-BOSR and WIEB recognize that the development and expansion of wholesale electricity markets and related coordination efforts in the West are issues of great importance to both organizations and will significantly impact the economy of the West and the well-being of the Region’s people. Operating as an independent, self-governing organization charged with participating in and informing state regulatory officials about Western EIM developments and activities, the Western EIM-BOSR also recognizes a need for independent technical expertise and staff resources to support the organization in its efforts to effectively fulfill its obligations. Furthermore, the EIM-BOSR recognizes that WIEB, an established organization charged with providing the tools and framework necessary to support cooperative efforts of the Western U.S. states and Canadian provinces in the energy field, is best situated to provide the technical expertise and staff resources necessary to support the EIM-BOSR in a competent and cost-effective manner. Therefore, in accordance with this MOU, and with funding provided by state-regulated participants in the California Independent System Operator’s Western Energy Imbalance Market (a.k.a., State-Regulated Market Participants (SRMPs)), WIEB will provide the technical expertise, staff resources and office space necessary to assist the EIM-BOSR in its efforts to achieve and maintain a better understanding of the Western EIM; to draft comments; and to provide advice on market design and policy to the EIM Governing Body, the California ISO Board of Governors, the Federal Energy Regulatory Commission and other key organizations.

Purpose

The purpose of this MOU is to clearly identify the roles and responsibilities of the EIM-BOSR and WIEB as they relate to the Parties’ agreement that WIEB will provide the technical expertise, staff resources, and office space necessary to support the ongoing efforts of the EIM-BOSR.¹

¹ This Memorandum of Understanding supersedes the Memorandum of Understanding Between the Western Interstate Energy Board and the Western Energy Imbalance Market – Body of State Regulators dated August 12, 2019. The previous agreement was contingent upon securing a source of funding to support EIM-BOSR activities. This agreement reflects the terms of securing funding from the State Regulated Market Participants of the Western EIM.

Parties' Roles & Responsibilities

I. EIM-BOSR Roles & Responsibilities.

A. EIM-BOSR Chair and Vice-Chair.

1. Annual Performance Reviews.

- a. The EIM-BOSR Chair and Vice-Chair will consult with the WIEB Executive Committee during the annual performance review of the WIEB Executive Director.
- b. The EIM-BOSR Chair and Vice-Chair will work closely with the WIEB Executive Director to evaluate the performance of WIEB employees that provide staff support to the EIM-BOSR.
- c. The EIM-BOSR Chair and Vice-Chair will work closely with the WIEB Executive Director to perform an annual review of services rendered, outcomes achieved, staff utilization, expenditures, cost allocations, and future budgets.

2. Business Plan and Budget.

- a. The EIM-BOSR Chair and Vice-Chair will work closely with the WIEB Executive Director to:
 - i. Provide strategic direction for the EIM-BOSR; and
 - ii. Develop annual budgets for the EIM-BOSR.

3. Meetings.

- a. The EIM-BOSR Chair and Vice-Chair will work closely with WIEB Executive Director and staff to develop meeting content and approve meeting agendas.

4. Other.

- a. The EIM-BOSR Chair and Vice-Chair will represent the EIM-BOSR on the Western Energy Leadership Team.²

² The Western Energy Leadership Team includes the WIEB Chair and Vice-Chair, the EIM-BOSR Chair and Vice-Chair, the Western Interconnection Regional Advisory Body Chair and Vice-Chair, and Co-Chairs of the Committee on Regional Electric Power Cooperation. The Western Energy Leadership Team works to coordinate the efforts of these organizations and travels biannually to Washington, D.C. to meet with leaders of the Federal Energy Regulatory Commission and U.S. Department of Energy.

II. WIEB Roles & Responsibilities.

A. WIEB Executive Committee.

a. Annual Performance Review.

- i. The WIEB Executive Committee will consult with the EIM-BOSR Chair and Vice-Chair during the annual performance review of the WIEB Executive Director.

B. WIEB Executive Director.

a. Annual Performance Reviews.

- i. The WIEB Executive Director will work closely with the EIM-BOSR Chair and Vice-Chair to evaluate the performance of WIEB employees that provide staff support to the EIM-BOSR.
- ii. The WIEB Executive Director will work closely with the EIM-BOSR Chair and Vice-Chair to perform an annual review of services rendered, outcomes achieved, staff utilization, expenditures, cost allocations, and future budgets.

b. Management.

- i. The WIEB Executive Director will manage staff providing support to the EIM-BOSR, will consult the EIM-BOSR on staffing requirements, and will have decision-making authority with respect to the allocation of staff and office resources.

c. Accounting.

- i. Funding provided to support EIM-BOSR activities will be used for EIM-BOSR-related staff salaries and benefits, overhead, meeting costs (e.g., room rental, audio-visual support, and webinar service), staff travel, BOSR member travel, travel for public utility commission staff, and other expenses, as needed.
- ii. The WIEB Executive Director and staff will use generally accepted accounting practices to separately track all EIM-BOSR expenses and revenues and to distinguish EIM-BOSR expenses and revenues from those attributable to WIEB.
- iii. The WIEB Executive Director will provide periodic EIM-BOSR spending reports to the EIM-BOSR Chair and Vice-Chair; and
- iv. The WIEB Executive Director will provide the EIM-BOSR with a final copy of WIEB's Annual Financial Audit each year, which is conducted by an

independent auditing firm and which will clearly distinguish between EIM-BOSR and WIEB expenses and revenues.

d. Business Plan and Budget.

- i. The WIEB Executive Director will work closely with the EIM-BOSR Chair and Vice-Chair to:
 1. Prepare an annual business plan that reflects the strategic direction of the EIM-BOSR;
 2. Prepare and present an annual budget to the EIM-BOSR for its review and approval;
 3. Schedule a public meeting where the SRMPs and other stakeholders will have an opportunity to engage with the EIM-BOSR and WIEB in the development of the EIM-BOSR annual budget; and
 4. Schedule an opportunity for the SRMPs and other stakeholders to provide written comments on the proposed business plan and budget by November 1st of each year.
- ii. Annual budget increases will be limited to no more than 4 percent; unless the EIM-BOSR, WIEB, and the SRMPs agree there are exceptional circumstances.
- iii. If EIM-BOSR budgetary expenses fall below the amount of funding provided in any given budget year, surplus funding will be used to reduce the funding requirement for the subsequent budget year.

C. WIEB Staff.

a. Technical Support

- i. WIEB technical staff will provide the following support:
 1. Monitor and analyze market activities, policy developments, and stakeholder initiatives related to the Western EIM;
 2. Perform issue analyses and develop draft “common positions” for consideration by the EIM-BOSR;
 3. At least twice each year, coordinate meeting space and facilitate in-person collaborations between members of the EIM-BOSR and other Western state utility regulators and policymakers;

4. Organize and coordinate additional meetings, in-person or via conference call, on an as-needed basis;
5. Identify topics and develop educational material for EIM-BOSR members and their staff;
6. Develop draft agendas and recruit speakers for EIM-BOSR meetings; and
7. Facilitate meetings between the EIM-BOSR and the CAISO Department of Market Monitoring and the CAISO Market Surveillance Committee.

b. Administrative Support:

- i. WIEB administrative staff will provide the following support:
 1. Maintain a webpage dedicated exclusively to the EIM-BOSR;
 2. Administer travel reimbursements for the EIM-BOSR, public utility commission staff, and other qualifying third parties; and
 3. Conduct other activities necessary to support the EIM-BOSR.

VI. Effective Date, Modifications and Termination.

This MOU shall become effective upon execution of both Parties. It will remain in effect until terminated by either party. Modifications to this MOU can only be made in writing and by mutual consent of the Parties.

John Chatburn
Chair, Western Interstate Energy Board

David Bobzien
Vice-Chair, Western Interstate Energy Board

Letha Tawney
Chair, Western EIM-BOSR

Kara Fornstrom
Vice-Chair, Western EIM-BOS