



## **Submit comment on Western EIM Governance Review Committee: 2/17/22 General Session Meeting**

Initiative: WEIM governance review

### **1. Comments on timing of the GRC proposals relative to EDAM market design proposals? \***

Northwest Requirements Utilities ("NRU") has no comments at this time.

### **2. What governance elements are implicated by the EDAM market design? \***

NRU appreciates this opportunity to provide comments. NRU represents the interests of 56 consumer-owned utilities that purchase all or most of their wholesale power from the Bonneville Power Administration ("BPA") on a preferential basis pursuant to section 5(b) of the Pacific Northwest Electric Power Planning and Conservation Act. Combined, NRU members serve over 2,245 aMW of retail load and represent over 29% of BPA's Tier 1 power sales. NRU members are located in BPA's Balancing Authority Area ("BAA") as well as other BAAs across the West, including those that have already joined the Energy Imbalance Market ("EIM") or are in the process of joining. As such, NRU members have a substantial interest in all matters related to the EIM and the Energy Day-Ahead Market ("EDAM"), including appropriate and representative governance.

NRU appreciates the previous work of the Governance Review Committee ("GRC") and its responsiveness to concerns of NRU and other non-California stakeholders related to the governance framework of the EIM. It is NRU's perspective that the GRC has done the best possible job in recommending a workable governance structure within the legal and political confines of an EIM that is fully within the control of the California ISO. As expressed in the past, NRU believes there is a fundamental, unsolvable problem with any west-wide market for which ultimate control, including control over the tariff, remains with the California ISO. Governance of these market constructs by a Board that is appointed entirely by the governor of one state creates risk, uncertainty, and the perception of bias toward California entities at the expense of others in the region.

Regarding EDAM market design, NRU urges the GRC to find governance solutions that work for non-California stakeholders, including BPA. Independent governance through legislative change would be the ideal structure for EDAM. Anything less than independent governance will bring a significant risk analysis process by entities exploring participation. For the EIM, the GRC was able to establish a Joint Authority model that changed the dynamic to be more collaborative and give EIM participants and other stakeholders more confidence in the

governance structure. It is likely that the EDAM governance structure, due to the more expansive nature of the market, will require additional modifications. Potentially looking at the Governing Board selection policy could be an area for discussion, among other things. For NRU to not oppose BPA joining an EDAM, the GRC must find acceptable governance solutions that minimize risk to BPA and its customers.

**3. Does the broader nature of the EDAM Market Design implicate the legal construct for governance? \***

NRU has no comments at this time.

**4. Any other comments? \***

No further comments.