

WESTERN ENERGY IMBALANCE MARKET

EIM Governance Review Committee Workshop on Delegation of Authority Issues

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Governance Review Committee

EIM Governance Review Committee
General Session
May 20, 2021



Agenda

- Decision on April 16, 2021 general session minutes
- Update on Part One Draft Final Proposal
- Overview of Part Two: Straw Proposal on Delegation of Authority
- Panel discussion
- Public comment, questions and next steps

GRC charter and purpose

- June 2019: Charter
 - Develop, through an iterative public stakeholder process, proposed revisions to the current EIM governance structure
 - May consider potential governance enhancements in the event that a day-ahead market is added to the current EIM market structure
 - Strive to develop a consensus proposal that has the support of all members
 - Present to the EIM Governing Body and ISO Board of Governors a proposal for their review and consideration

Summary of key GRC milestones to date

- January 2020: Scoping Paper
 - Comments and Stakeholder Workshop
- July 2020: Straw Proposal
 - Comments and Stakeholder Workshop
- December 2020: Revised Straw Proposal
 - Comments and March General Session on Next Steps
- April 2021: Part One Draft Final Proposal
 - Approved by GRC and submitted to Board and EIM Governing Body for consideration
- May 2021: Part One Draft Final Proposal
 - Approved by Board and EIM Governing Body

Part One Draft Final Proposal next steps

- CAISO will seek Board approval this summer for the revisions to the Charter for EIM Governance and the EIM Governing Body Selection Policy that document the changes that were approved in Part One
 - Advisory review by the EIM Governing Body
- Body of State Regulators has modified its charter to reflect the addition of consumer-owned utilities and Federal power marketing agencies
- Regional Issues Forum will begin dialogue shortly on changes to its Operating Guidelines to reflect the recommendations

Part Two: Topics under Delegation of Authority

- Scope of Joint Authority*
- Process for Resolving Potential Deadlocks*
- Decisional Classification Dispute Resolution
- Durability of Delegation of Authority

**Focus of discussion today*

Straw Proposal: Overview

- If adopted, this proposal would increase the current scope of issues over which the Board and the EIM Governing Body hold shared approval authority
- It provides strong incentives for both bodies to resolve any differences of opinion before going to FERC
- The revised dispute resolution proposal removes dual filings, but permits the Board to move forward with a FERC filing in the case of an intractable impasse, where exigent circumstances exist
- The EIM Governing Body will be empowered to address at FERC any tariff filing made under this narrow exigent circumstances provision, including the retention of outside counsel

Straw Proposal: Delegation and Scope of Joint Authority

Joint authority is established whereby the two bodies hold shared approval authority:

- Scope includes proposals to change or establish any CAISO tariff rule(s) ***applicable to*** the EIM Entity balancing authority areas, EIM Entities, or other market participants within the EIM Entity balancing authority areas in their capacity as participants in EIM.
- Excludes from joint authority proposals to change or establish tariff rule(s) ***applicable only to*** the CAISO balancing authority area or to CAISO-controlled grid.

Straw Proposal: Dispute Resolution Process

- At least two attempts to find agreement must be made
- The Board and EIM Governing Body can jointly agree to abandon the tariff modification initiative or agree on some other way to resolve matter
- As a last resort, the Board may authorize FERC filing if the Board, by unanimous vote, makes a finding of impasse and that the proposed revision to the tariff is critical to preserve reliability or protect market integrity
 - CAISO is required to include whatever written opinion or statement the EIM Governing Body may offer
 - EIM Governing Body would be able to retain outside counsel in preparing opinion/statement

Requested Feedback

- How do these proposals meet your interests related to delegation of authority for EIM?
- What other interests do you want the GRC to consider related to delegation of authority for EIM?

Process moving forward

- Written comments on Straw Proposal and Workshop discussion by Friday, June 4th
- Depending on nature and breadth of comments received, GRC will determine next steps to development of Part Two Draft Final Proposal for EIM Governance