

# WESTERN ENERGY IMBALANCE MARKET (WEIM)

## WEIM Governance Review Committee Public Meeting

WEIM Governance Review Committee  
General Session  
November 7, 2022



# Decision on General Session Minutes September 23, 2022

# WEIM Governance Review Committee - members

Michele Beck	Utah Office of Consumer Services
Tony Braun	Braun Blaising Smith Wynne, PC
Suzanne Cooper	Bonneville Power Administration
Eric Eisenman	Pacific Gas and Electric Company
John Prescott*	WEIM Governing Body
Angelina Galiteva*	ISO Board of Governors
Jeff Nelson	Southern California Edison
Amanda Ormond	Ormond Group LLC
Commissioner Letha Tawney	Body of State Regulators
Rob Taylor	Salt River Project
Pam Sporborg	Portland General Electric
Rebecca Wagner	Wagner Strategies
Cameron Yourkowski	EDP Renewables North America LLC

*\* non-voting member*

*In loving memory of our dear friend, colleague, and partner in this effort, Therese Hampton.*

# GRC process to date for EDAM governance review

July

- Jul 15: publish straw proposal
- Jul 20: stakeholder meeting to discuss straw proposal

Aug-Sept

- Aug 15: straw proposal comments due
- Aug 29: stakeholder meeting to discuss comments
- Sep 23: stakeholder meeting to discuss scope of joint authority & advisory authority

Oct-Nov

- Oct 31: revised proposal published
- Nov 7: stakeholder meeting to discuss revised proposal

# WEIM Governance Review Committee Delegation of Authority

# Recommendations for delegation of authority and related topics

- Type of authority – no change (maintain and extend joint authority construct to EDAM)
- Scope of authority – proposed enhancements to scope of authority and advisory authority
- Decisional classification – no change (maintain current process for decisional classification of initiatives)
- Dispute resolution – no change (maintain process for resolving disagreements about whether to approve proposed tariff changes within joint authority of two bodies)

# Recommendation for scope of authority definition

“Joint authority”:

The WEIM/EDAM Governing Body will have joint authority with the Board of Governors to approve or reject a proposal to change or establish a tariff rule applicable to the WEIM/EDAM Entity balancing authority areas, WEIM/EDAM Entities, or other market participants within the WEIM/EDAM Entity balancing authority areas, in their capacity as participants in WEIM/EDAM. The WEIM/EDAM Governing Body will also have joint authority with the Board of Governors to approve or reject a proposal to change or establish any tariff rule for the day-ahead or real-time markets that directly establishes or changes the formation of any locational marginal price(s) for a product that is common to the overall WEIM or EDAM market. The scope of this joint authority excludes, without limitation, any other proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to the CAISO-controlled grid.

# Recommendation for scope of authority definition

Definition has three components:

- Extension of the current WEIM Apply to test to EDAM
- Rules that “directly establish or change the formation of LMPs” for common WEIM/EDAM products
- All other CAISO BA-specific rules excluded

# Recommendation for scope of authority definition

First component:

- Extension of the WEIM Apply to test to EDAM: “The [WEIM/EDAM](#) Governing Body will have joint authority with the Board of Governors to approve or reject a proposal to change or establish a tariff rule applicable to the [WEIM/EDAM](#) Entity balancing authority areas, [WEIM/EDAM](#) Entities, or other market participants within the [WEIM/EDAM](#) Entity balancing authority areas, in their capacity as participants in [WEIM/EDAM](#).”
  - Same test as for WEIM, but extended to EDAM.
  - Broad stakeholder support.

# Recommendation for scope of authority definition

Second component:

- Rules that directly establish or change the formation of LMPs for common WEIM/EDAM products: “The WEIM/EDAM Governing Body will also have joint authority with the Board of Governors to approve or reject a proposal to change or establish any tariff rule for the day-ahead or real-time markets that directly establishes or changes the formation of any locational marginal price(s) for a product that is common to the overall WEIM or EDAM market.”
  - This rule covers tariff changes that would apply to a subset of the total WEIM/EDAM footprint—e.g., rules that apply only to the CAISO BA or WEIM/EDAM Entity BAs.
  - Limited to rules that would directly establish or change the formation of an LMP for a product that is offered for the entire WEIM/EDAM footprint.

# Recommendation for scope of authority definition

Third component:

- Exclusion of other CAISO BA rules: “The scope of this joint authority excludes, without limitation, any other proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to the CAISO-controlled grid.”
  - Makes clear that the only CAISO BA-specific rules subject to joint authority are those that would be covered by the second component of the definition, discussed above.
  - For example, CAISO BA-specific transmission priority rules that are not part of WEIM/EDAM would be excluded from joint authority.

# Proposed Changes to the Advisory Authority

## Scope/Process

- Scope: The GRC recommends adding the day ahead market to the existing definition of the scope of advisory authority:
  - “Advisory authority”: The WEIM/[EDAM](#) Governing Body may provide advisory input over proposals to change or establish tariff rules that would apply to the real-time [and/or day ahead](#) market but are not within the scope of joint authority.
- Process: Enhance existing advisory input process by adding two elements in cases where the Governing Body advises the Board not to adopt a proposal:
  - The advisory input must be provided and discussed in joint general session of both bodies; and
  - If Board approves proposal for filing at FERC, Governing Body would be able to use outside counsel or other independent support to prepare a written statement of its opposition for submission to FERC.

# WEIM Governance Review Committee Size and Composition of Governing Body

# Size and composition of the WEIM Governing Body

The GRC recommends that:

- The size of the Governing Body remain at five members, with the issue to be studied again during the next re-evaluation of governance
- When considering whether to reappoint a sitting member of the Governing Body, the Nominating Committee should consider whether doing so fits with the enhanced responsibilities associated with the EDAM
- Management should arrange for a study in 2023 to evaluate the compensation of the Governing Body relative to other similar bodies

# WEIM Governance Review Committee Stakeholder Engagement

# Stakeholder engagement recommendations

- Maintain the current stakeholder engagement framework
- Use of working groups when the complexity and impact of an initiative merit the extra work
- At the beginning of the CAISO's process for prioritizing discretionary initiatives for the policy roadmap, the RIF host a roundtable discussion of sector representatives about priorities
- Add a new RIF sector liaison for EDAM entities

The GRC encourages the RIF to find workable ways to enhance its advisory function with support from CAISO staff.

# WEIM Governance Review Committee CAISO's Responsibility to Consider Interests of Regional Stakeholders

# Recommended additions to CAISO Bylaws

- Amend the Bylaws to clarify that, consistent with its corporate purpose and status as a nonprofit public benefit corporation, CAISO will weigh the interests of all stakeholders in the footprint
- Amend the Bylaws to add same obligation for individual members of the Board of Governors

# WEIM Governance Review Committee Timing for Approval and Implementation of GRC Proposals

# Recommended timing for approval and implementation

- Board and Governing Body should have joint authority over decision on EDAM market design, as proposed
- EDAM governance proposal should become effective once FERC has conclusively accepted the CAISO's filing for the market design

# GRC process to date for EDAM governance review

October

- Oct 31: revised proposal published

November

- Nov 7: stakeholder call to discuss proposal
- Nov 18: comments due
- Nov 30: stakeholder call to discuss comments

December

- Dec 7: final draft proposal published
- Dec 14: brief WEIM GB-ISO Board on final draft proposal

January

- Jan: GRC meeting – decision on final proposal

February

- Feb: present final proposal for Joint Authority decision

# Helpful links

## WEIM GRC information

<https://www.westerneim.com/Pages/Governance/GovernanceReviewCommittee.aspx>

## WEIM Governance Review Initiative webpage

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Western-EIM-governance-review>

## Western EIM GRC Part One Draft Final Proposal

[http://www.caiso.com/InitiativeDocuments/PartOneDraftFinalProposal\\_EIMGovernanceReview.pdf](http://www.caiso.com/InitiativeDocuments/PartOneDraftFinalProposal_EIMGovernanceReview.pdf)

## Western EIM GRC Part Two Draft Final Proposal

<http://www.caiso.com/InitiativeDocuments/Decision-EIM-Governance-Review-Committee-Part-Two-Draft-Final-Proposal-July-19-2021.pdf>