

WESTERN ENERGY IMBALANCE MARKET (WEIM)

WEIM Governance Review Committee Public Meeting

WEIM Governance Review Committee
General Session
July 20, 2022



Decision on General Session Minutes April 29, 2022

WEIM Governance Review Committee - members

Michele Beck	Utah Office of Consumer Services
Tony Braun	Braun Blaising & Wynne, PC
Suzanne Cooper	Bonneville Power Administration
Eric Eisenman	Pacific Gas and Electric Company
Therese Hampton	Consultant representing public power
Amanda Ormond	Ormond Group LLC
Pam Sporborg	Portland General Electric
Commissioner Letha Tawney	Body of State Regulators
Rob Taylor	Salt River Project
Rebecca Wagner	Independent consultant
Cameron Yourkowski	EDP Renewables North America LLC
Angelina Galiteva*	ISO Board of Governors
John Prescott*	WEIM Governing Body

** non-voting member*

GRC process to date for EDAM governance review

Feb-Mar

- Feb: General Session Meeting to review potential Scope of EDAM Governance and request for public comment
- Feb: Written public comment
- Mar : General Session on EDAM market design briefing

Apr-May

- April: General Session Meeting to discuss options
- May: BOSR and RIF Updates
 - Informal stakeholder sector outreach
 - Stakeholder panel discussion on governance options at EDAM Market Design Meeting

Jun-Jul

- Jun-Jul: Continued stakeholder outreach; development of draft straw proposal
- July 15: Straw proposal published
- July 20: Stakeholder call to discuss proposal

Principles to guide the GRC

The overarching principle states that the GRC shall:

- Ensure that the governance of the WEIM and EDAM provide stakeholders throughout the West with confidence that the governance structure represents the market(s) as a whole, broadly respects and considers the interests of all stakeholders, and is resilient under a wide range of market conditions.

Recommended Additions to the Existing Principles

- F. Seek, where possible, to modify or enhance the WEIM governance structure, as it relates to the establishment of EDAM, in support of an autonomous WEIM Governing Body.
- G. Ensure modifications or enhancements to the WEIM governance structure, as it relates to EDAM, balance the interests of full ISO market participants in the ISO Balancing Authority Area and prospective EDAM participants.
- H. Ensure modifications or enhancements to the WEIM governance as it relates to the establishment of EDAM, support or advance a potential future governance structure appropriate for a multi-state Regional Transmission Organization.

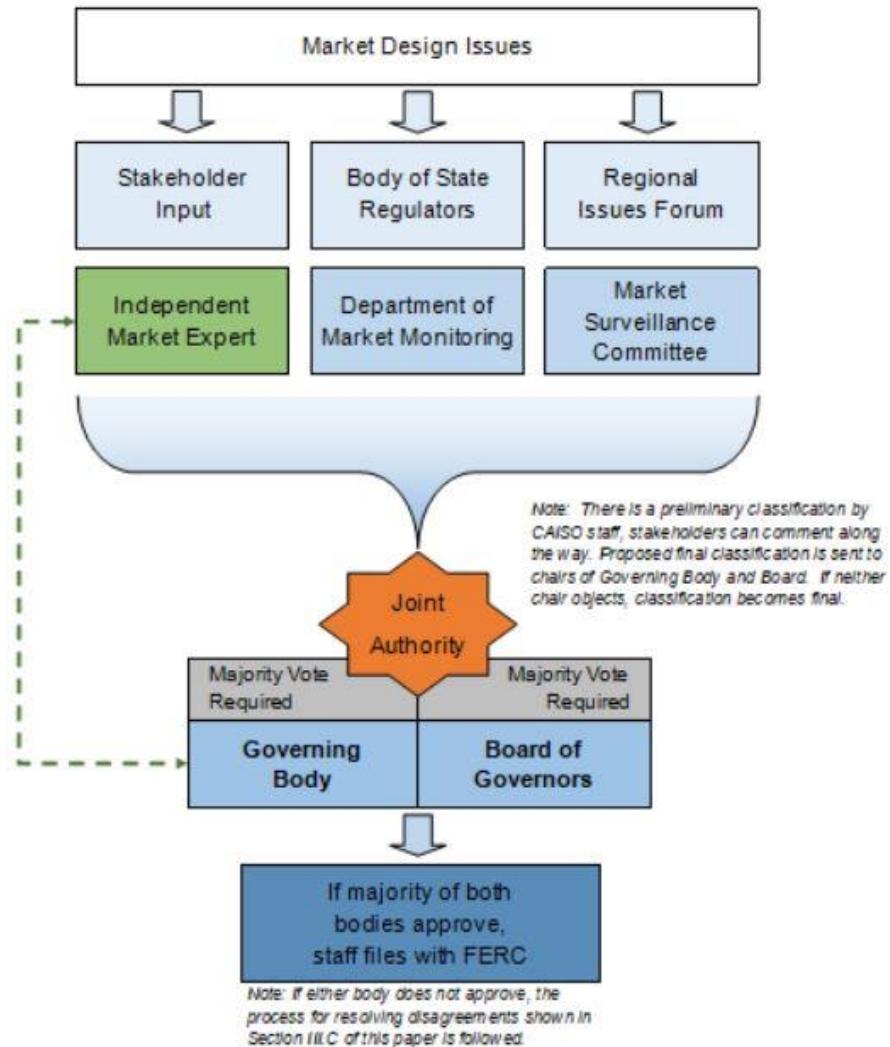
WEIM Governance Review Committee Delegation of Authority

Recommendation for joint authority

- The GRC carefully considered the arguments made for both primary and joint decision authority models.
- The GRC recommends expanding the joint authority model currently used for the WEIM to apply to the EDAM.
- The GRC prefers the Joint Authority model because it:
 - Recognizes the high degree of interconnectedness in the WEIM and the EDAM markets;
 - Requires the Governing Body, Board and stakeholders to come together with a problem-solving orientation;
 - Ensures decisions made by both the Governing Body and Board transparently consider and balance the impacts on all stakeholders; which supports advancement of future regional governance

Recommendation for joint authority

Governing Body and Board of Governors Joint Decision Process



Recommendation for “applies to” scope

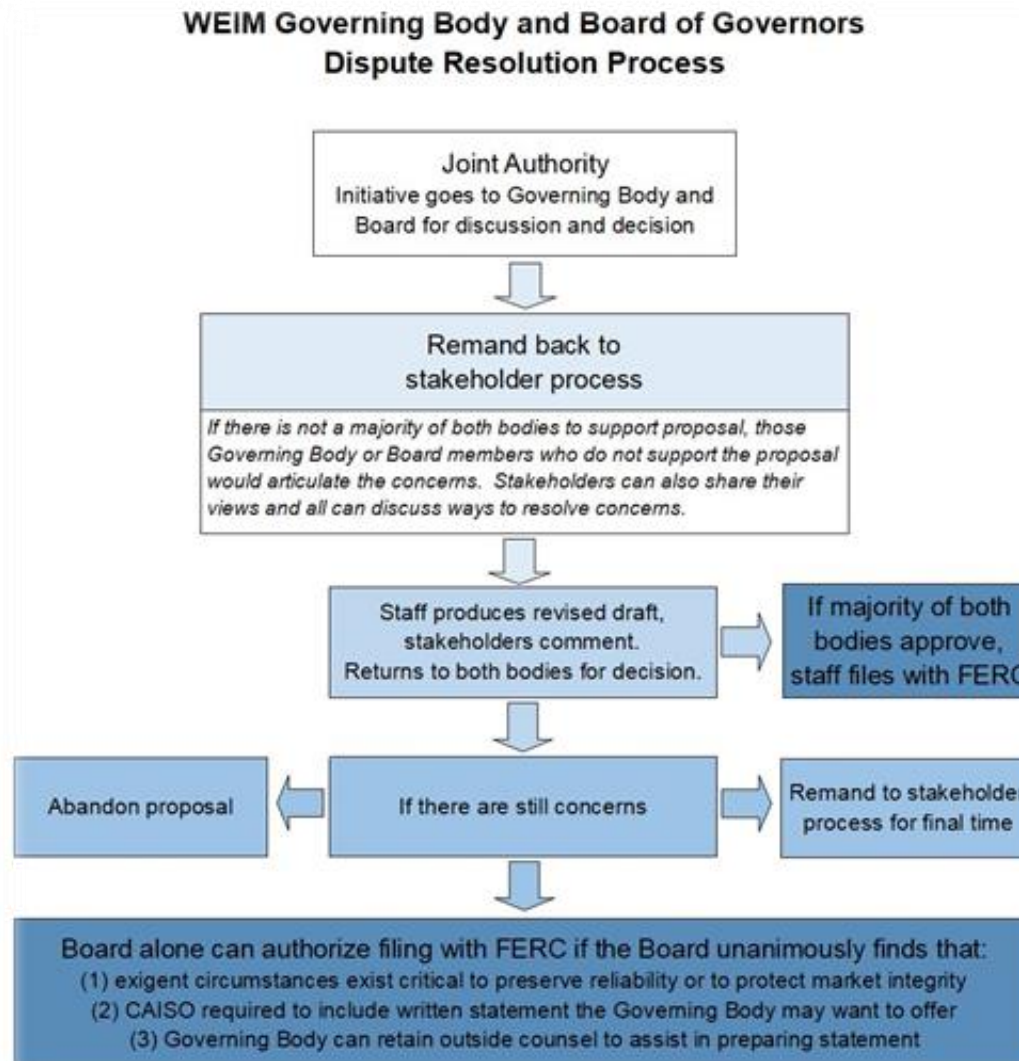
The GRC recommends, at a minimum, that the scope of authority should be increased by using the “apply to” test to encompass both WEIM and EDAM rules:

- “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 scope of this joint authority excludes, without limitation, any proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to the CAISO-controlled grid.
- “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.

Request comment on additional scope

- GRC believes that the “apply to” test for WEIM and EDAM will encompass the majority of day-ahead and real-time market rules.
- GRC is evaluating and requesting input on whether there are options to enhance the “apply to” test to ensure highly impactful issues are included in scope. Options include:
 - a. Develop a set of specifically identified topics to be decided under joint authority that are in addition to those covered by the "apply to" test, or
 - b. Extend joint authority to all real-time and day-ahead market rules but create a defined set of exceptions or exclusions for topics that would remain subject to the Board’s sole approval.
- Seeking specific proposals on rules or concepts for additions or exclusions that will support a straightforward decisional classification process and be relevant over time to new issues.

No recommended changes to dispute resolution or decisional classification



WEIM Governance Review Committee Size and Composition of Governing Body

Considerations for the WEIM Governing Body

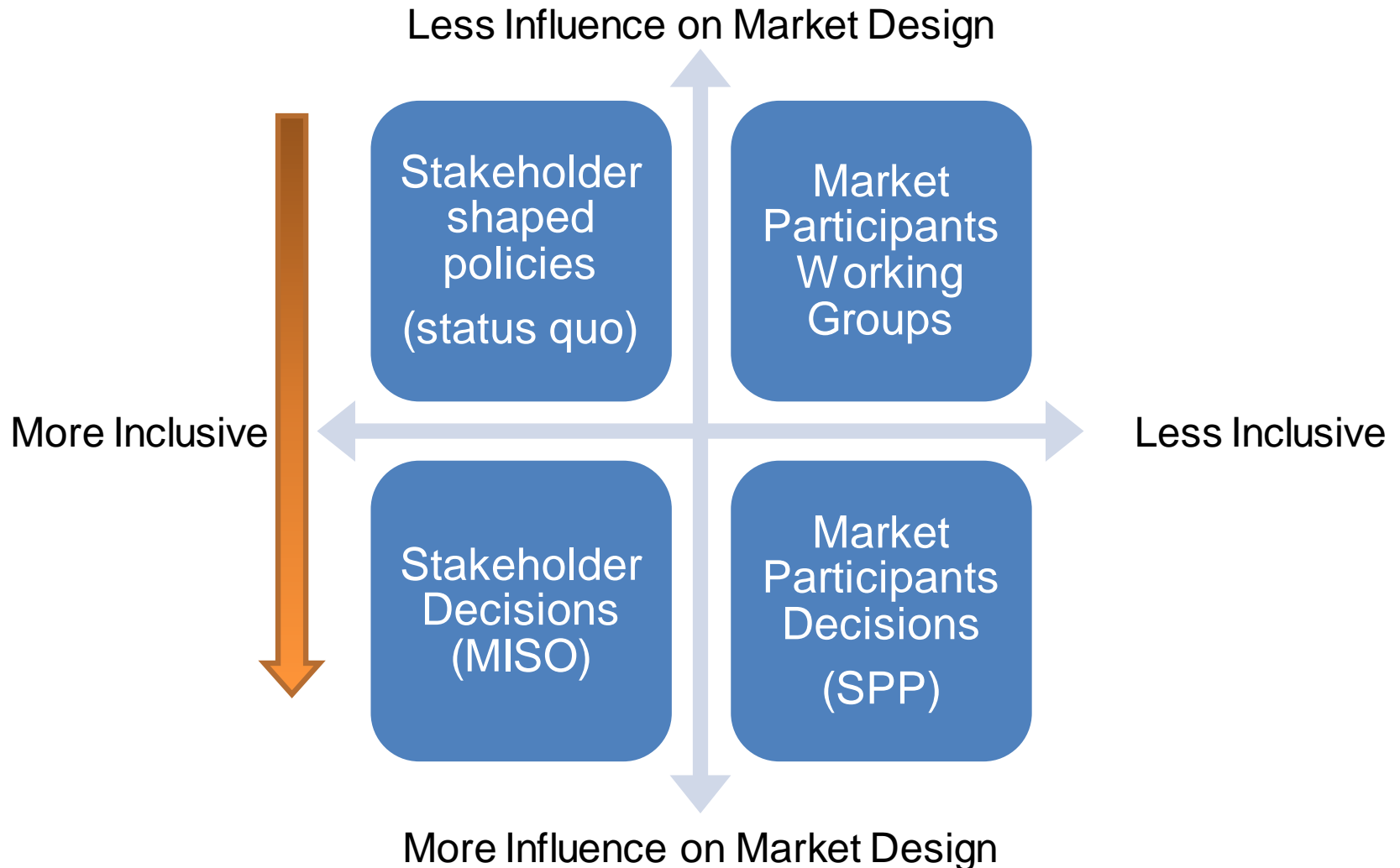
- The GRC recommends that the existing Governing Body expand its role to include joint decision-making authority for the EDAM in addition to its current role for the WEIM.
- The GRC recommends that the Nominating Committee, as part of the re-nomination process, evaluate whether the member has the qualifications to serve given the additional responsibilities.
- The GRC seeks comment on whether the current compensation of the Governing Body is sufficient or should be changed in some manner.
- The GRC seeks comment on whether the size of the Governing Body should be increased from five members to seven.

WEIM Governance Review Committee Stakeholder Engagement

Stakeholder engagement recommendations (1 of 2)

- The GRC deliberated directly and engaged stakeholders on the issue of more stakeholder-driven decision making
- After evaluating the pros and cons of different models, the GRC supports the CAISO's current engagement model because it is inclusive and provides for equal access for all stakeholder holders
- The GRC does not, at this time, recommend changes to the overall decision-making process.
- Within the current framework, however, we believe CAISO can provide for more meaningful input by stakeholders in the decision-making process.
- We recommend CAISO expand the use of working groups with the goal of enhancing the role of stakeholders in both the development of and consideration of options.

Option for EDAM: Include stakeholders more in market design



Stakeholder engagement recommendations (2 of 2)

- Part of the GRC's consideration on the stakeholder engagement process is the recognition of the authority provided to the RIF to provide advisory opinions on issues. The GRC acknowledges the work underway within the RIF on that issue.
- The GRC specifically recommends that, at the beginning of CAISO's process for prioritizing discretionary initiatives for the policy roadmap, the RIF host a roundtable discussion about priorities
 - Sector liaisons/representative share sector's priorities
 - Board and Governing Body Members in attendance
- In addition, the GRC recommends that the current RIF Public Interest and Consumer Advocate Groups sector be composed of one liaison chosen by representatives of state-sanctioned utility consumer advocates and large consumer representatives and the other liaison chosen by public interest groups within the sector.

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

Recommended additions to CAISO Bylaws

- Recommend that CAISO positively state in its governance documents that its public benefit purpose extends to all stakeholders and connect that to its corporate purpose.
- GRC recommends that governance documents clarify that:
 - As a means of fulfilling its corporate purpose, the CAISO shall consider the interests of all stakeholders in either CAISO or a WEIM/EDAM entity balancing authority area.
 - Considering the interests of all stakeholders is consistent with CAISO's obligations as a nonprofit public benefit corporation.
 - Individual Governors share the same obligation.

Summary of Straw Proposal recommendations(1 of 3)

Issue	Recommendation
Delegation of Authority	<ul style="list-style-type: none">• Maintain joint authority construct
	<ul style="list-style-type: none">• Expand authority to include rules that “apply to” EDAM market participants and seeking feedback on concepts to further expand scope of the WEIM Governing Body’s decisional authority. Expanded authority is discussed in Section III.B.1.
	<ul style="list-style-type: none">• No change to process for decisional classification of initiatives
	<ul style="list-style-type: none">• No change to process for resolving disagreements about whether to approve proposed tariff changes within joint authority of two bodies

Summary of Straw Proposal recommendations(2 of 3)

Issue	Recommendation
Size and Composition of the Governing Body	<ul style="list-style-type: none">• Seeking feedback about whether to increase the size of the Governing Body from five to seven in response to the increased responsibilities associated with EDAM
	<ul style="list-style-type: none">• 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 EDAM
	<ul style="list-style-type: none">• Seeking feedback about advisability of increasing compensation of Governing Body members to help attract members best qualified for increased responsibilities associated with EDAM

Summary of Straw Proposal recommendations(3 of 3)

Issue	Recommendation
Stakeholder Engagement and Policy Development	<ul style="list-style-type: none">• At the beginning of the CAISO's process for prioritizing discretionary initiatives for the policy roadmap, RIF to host a roundtable discussion of sector representatives about priorities• Make changes such that the Regional Issues Forum Public Interest/Consumer Advocate Groups Sector is comprised of one liaison chosen by state-sanctioned utility consumer advocates and large consumer representatives and the other chosen by public interest groups within the sector.
CAISO's Responsibility to Consider Regional Stakeholders	<ul style="list-style-type: none">• Amend bylaws to clarify that, consistent with its corporate purpose and status as a nonprofit public benefit corporation, CAISO will consider the interests of all stakeholders in the footprint• Amend bylaws to add same obligation for individual members of the Board of Governors

Governance review timeline

July

- July 15 – publish straw proposal
- July 20 – GRC public meeting

Aug-Sept

- August 15 – straw proposal comments due
- Late August – GRC public meeting to discuss stakeholder comments
- September – GRC work to refine proposal

Oct-Dec

- Late October – issue revised proposal
- December – issue final proposal
- December – bring to WEIM GB and BOG for decision with EDAM market design proposal

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

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>