



California ISO

Step 1 Recommendation

West-Wide Governance Pathways Initiative

July 23, 2024

Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- This call is intended to allow ISO staff to:
 - provide a high-level summary of the Step 1 comments;
 - identify how staff proposes to address to those comments; and
 - propose next steps.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.
- If you need technical assistance during the meeting, please send a chat to the event producer.

Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon located on the bottom of your screen.
 - **Note:** *3 only works if you dialed into the meeting.
- Please remember to state your name and affiliation before making your comment
- You may also send your question via chat to Christina Guimera or to all panelists.

Today's Agenda

| Time | Topic | Presenter |
|---------------|-------------------------------------------------------------------------|------------------------------------------|
| 10:30 – 10:35 | Welcome and housekeeping | Christina Guimera, CAISO |
| 10:35 – 10:40 | Agenda and review of stakeholder process | Adam Schultz, CAISO |
| 10:40 – 11:15 | Summary of Step 1 comments and staff's proposed response | Adam Schultz, CAISO Burt Gross, CAISO |
| 11:15 – 11:25 | Response from the Launch Committee to the ISO staff's proposed approach | Members of the Launch Committee |
| 11:25 – 11:55 | Public Q&A | |
| 11:55 – 12:00 | Next Steps | Christina Guimera, CAISO |

ISO Policy Initiative Stakeholder Process



- The comments submitted on the Step 1 recommendation are available to review on the ISO's [policy initiative page](#)

Summary of Step 1 Comments

Step 1 Proposal: Indicative Voting

| Support (22) | Neutral (6) | Oppose (1) | No Position (2) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • APS • BANC • (14) Business & Environmental Representatives • CalCCA • CLECA • EDF • InterWest • (8) Joint PIOs • NV Energy • PacifiCorp • PG&E • PGE • SDG&E • SCE • Seattle City Light • Shell • Six Cities • Tacoma Power • Vistra • Consumer Advocates from NV, CO, UT, WY • Western Freedom • WPTF | <ul style="list-style-type: none"> • BPA • PGP • PSE • SRP • TEP • WAPA | <ul style="list-style-type: none"> • Bill Julian | <ul style="list-style-type: none"> • California Public Advocates Office • PPC |

Summary of Step 1 comments

| Issue | Summary |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continued collaboration between the ISO Board and WEM Governing Body | <ul style="list-style-type: none">• Many parties identified an interest in defining a structure or process to support continued collaboration between the two bodies after Step 1 is implemented.• Parties suggested this could take the form of continued joint meetings, informal discussions or briefings, or a formal communication structure. |
| Process to make changes in governance documents after approval of Step 1 | <ul style="list-style-type: none">• A couple of parties sought more specific information on how changes to governance documents would occur if Step 1 is approved, and if parties would have an opportunity to review those changes.• One party offered specific language to be added to the Governing Body's charter related to the public interest. |

Summary of Step 1 comments

| Issue | Summary |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Logistics in the Context of a Dual Filing | <ul style="list-style-type: none">• A few parties identified an interest in the ISO describing in more detail how the proposed “dual filing” mechanism would operate:<ul style="list-style-type: none">○ What role for ISO staff in preparation of filings?○ How to ensure preference is not indicated for one of the filings?○ How to ensure accuracy in articulation of positions in a filing?○ What triggers the mechanism?○ How will role of GB be funded? |

Summary of Step 1 comments

| Issue | Summary |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Definition of exigent circumstances | <ul style="list-style-type: none">• Several parties asked that more definition be provided for what constitutes time-critical exigent circumstances:<ul style="list-style-type: none">○ To mitigate confusion○ To note its limited nature○ To ensure it is used as a last resort• One party commented that the existing exigent circumstances provision not be further limited. |
| Trigger mechanism | <ul style="list-style-type: none">• A couple of parties recommend elimination of the trigger requirement, and the immediate implementation of Step 1.• One party suggested this change not take effect until after one year of EDAM operation. |

Summary of Step 1 comments

| Issue | Summary |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope of Primary Authority (the “applies to” test) | <ul style="list-style-type: none">• Some parties sought changes to the scope of issues falling within Primary Authority:<ul style="list-style-type: none">○ Review of and further definition and development of the ‘applies to’ test○ Provide more details of tariff sections covered by the ‘applies to’ test |
| Legal Authority | <ul style="list-style-type: none">• One party suggested that the ISO seek an opinion from the California Attorney General on the legality of Step 1. |
| Pathways process to develop Step 1 proposal | <ul style="list-style-type: none">• Multiple parties raised concerns with the process used by the Launch Committee to develop the Step 1 proposal, while another party commended the same process and its accessibility to stakeholders. |

Summary of Step 1 comments

| Issue | Summary |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comments pertaining to the development of Step 2 | <ul style="list-style-type: none">• Several parties offered comments that appear to be directed at the ongoing development by the Launch Committee of its Step 2 proposal:<ul style="list-style-type: none">○ Defining authorities retained by CA under that proposal○ Comments focused on changes to the stakeholder process○ Articulating an interest in a greater role and funding for consumer advocates in Step 2 |

CAISO Staff Recommendation

Summary of Current CAISO Staff Recommendation Based on Written Comments

| | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category 1 | <ul style="list-style-type: none">• Issues that the Launch Committee previously considered and addressed• The Step 1 proposal reached an appropriate outcome that we support• We are not inclined to recommend changes |
| Category 2 | <ul style="list-style-type: none">• New issues or details not fully addressed by the Launch Committee• These issues do not in our view require substantive changes to the Step 1 proposal• Board and Governing Body should have flexibility to collaboratively address these topics, if necessary, in the future |

Category 1 Issues: Staff response

- Four major topics fall into this category:
 - Trigger mechanism for Step 1
 - Definition of exigent circumstances
 - Scope of Primary Authority under the applies to test
 - Public Interest language in the Charter
- These issues were exhaustively addressed by the Launch Committee and we support their recommendation
- Some stakeholders sought more definition or explanation of ‘exigent circumstances’ and the ‘applies to’ test
 - These terms have been carefully defined in ISO’s current governance documents

Category 2 Issues: Staff response

- Two major topics fall into this category:
 - Continued collaboration between Board and GB
 - Logistical details for dual filing mechanism
- These issues were not considered in great detail by the Launch Committee
- Our view is that the Board and GB should retain flexibility to collaborate and consider evolution of both of these issues over time and with experience

Staff's proposed next steps

- Indicative voting showed strong overall support for the Step 1 proposal
- Our view is that there is no need for making substantive changes to the Step 1 proposal
- We propose to move forward with a joint meeting between the ISO Board and the WEM Governing Body on August 13, 2024 to consider and vote on the Step 1 proposal
- Staff intends to respond to the comments received in a memo to the Board and Governing Body that will be published in advance of the August 13th meeting

Response from the Launch Committee

Public Q&A

ENERGY matters

The California ISO's blog highlights its most recent news releases, and includes information about ISO issues, reports, and initiatives.



Energy Matters blog provides timely insights into ISO grid and market operations as well as other industry-related news

<https://www.caiso.com/about/news/energy-matters-blog>

WESTERN ENERGY MARKETS WEM

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New Policy Initiatives Timeline

The California ISO has launched the Policy Initiatives Timeline to offer stakeholders a concise overview of ongoing policy initiatives. At a glance, it offers a snapshot view of key details such as the status of each initiative, projected timelines, and the current phase of the stakeholder engagement process. Updates to this timeline will be made weekly and posted on the policy initiative landing page. For more information, stakeholders are encouraged to reach out to ISOStakeholderAffairs@caiso.com.





SAVE THE DATE

2024 STAKEHOLDER SYMPOSIUM

OCT. 30, 2024
SACRAMENTO, CA

The California ISO Stakeholder Symposium will be held on Oct. 30, 2024 at the Safe Credit Union Convention Center in Sacramento, California.

A welcome reception for all attendees will be held the evening of Oct. 29.

Additional information, including event registration and sponsorship opportunities, will be provided in a future notice and on the ISO's website.

Please contact Symposium Registration at symposiumreg@caiso.com with any questions.