



California ISO

Step 1 Recommendation


West-Wide Governance Pathways Initiative

June 18, 2024

Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without the ISO's permission.
- This stakeholder call is intended to give the Launch Committee an opportunity to present its Step 1 recommendation and for the ISO to outline its process.
- 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

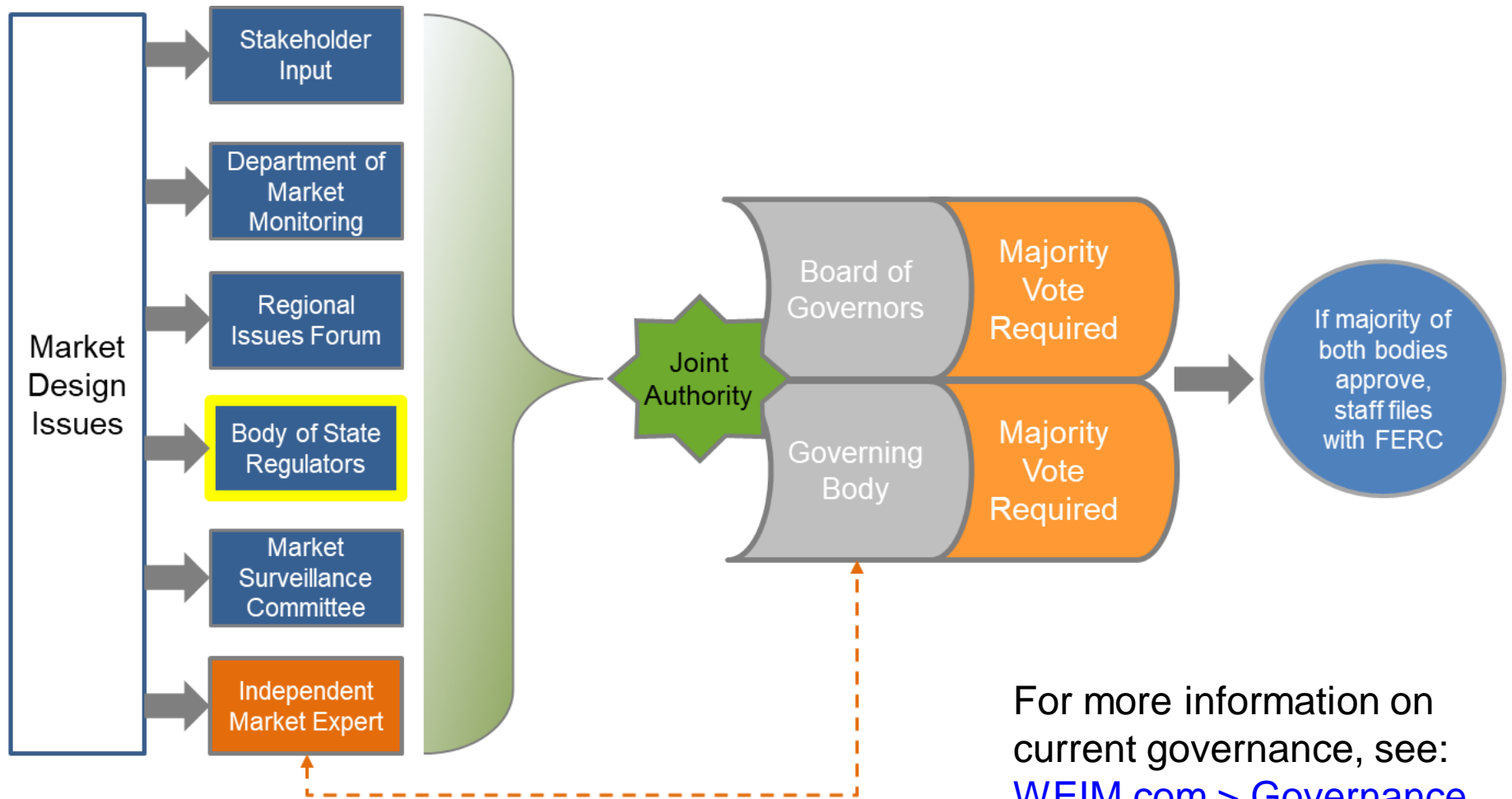
Time	Topic	Presenter
1:30 – 1:35	Welcome and housekeeping	Christina Guimera, CAISO
1:35 – 1:45	Agenda, Stakeholder Process, Overview of Joint Authority	Adam Schultz, CAISO
1:45 – 2:25	Presentation of Step 1 Recommendation	Pam Sporborg, PGE Kathleen Staks, Western Freedom Evie Kahl, CalCCA Spencer Gray, NIPPC
2:25 – 2:55	Q&A	Open to public
2:55 – 3:00	Next Steps	Christina Guimera, CAISO

ISO Policy Initiative Stakeholder Process



- The Step 1 recommendation and information about submitting comments are available on the ISO's [policy initiative page](#)
- After Board approval, the ISO anticipates that it would need to implement the changes and prepare tariff changes for filing with FERC in alignment with the trigger mechanism proposed by Pathways

Overview of Joint Authority Model



For more information on current governance, see: WEIM.com > [Governance](#)

West-Wide Governance Pathways Initiative

CAISO Stakeholder Meeting
June 18, 2024



West-Wide Governance Pathways Initiative

Spencer Gray, NIPPC

Evelyn Kahl, CalCCA

Pam Sporborg, Portland General Electric

Kathleen Staks, Western Freedom



Pathways Initiative Background



Launch Committee Mission

The Mission of the Launch Committee of the WWGPI (Committee) is to develop and form a new and independent entity with an **independent governance structure** that is capable of overseeing an expansive suite of West-wide wholesale electricity markets and related functions based on the following core principles:

- The entity should enable the **largest footprint possible that includes California**, and maximizes overall consumer benefits;
- The entity will include **independent governance** for all market operations;
- The new entity will **preserve and build upon existing CAISO market structures** that serve over 80% of the Western Interconnection, including the Western Energy Imbalance Market (WEIM) and the Extended Day Ahead Market (EDAM);
- A primary goal will be to **minimize duplication and incurrence of costs** for both the market operator and market participants; and
- The structure should be flexible to accommodate the future voluntary provisions of **full regional transmission organization (RTO) services** for those entities that desire to do so, but not mandate that any entity must join such a future potential RTO.



Evaluation Criteria

1. **Maximized net benefits**, including reliability, affordability and environmental benefits, recognizing startup and ongoing costs, and considering both new benefits and impacts on existing benefits.
2. **Equitable representation** across the Western region and among all market participants, including for a wide range of legal entities.
3. **A governance structure** independent of any single state, participant, or class of participants.
4. **Organizational flexibility** to accommodate future expansion of regional solutions and to create a credible and timely path to a voluntary RTO, including the balancing authority and transmission planning functions.
5. **Optionality** to allow market participants to choose the market services they value.
6. **Preservation** of existing balancing authorities' ability to maintain independence, authority, and governance.
7. **An implementation timeline** that promotes broad market participation.
8. *Respect for state and local authority to set procurement, environmental, reliability and other public interest policies.*



An aerial photograph of a river delta, showing a complex network of channels and distributaries. The image is in grayscale, with a prominent yellow vertical bar on the left side. The text "Step 1 Final Proposal" is overlaid in the center in a bold, blue font.

Step 1 Final Proposal



Pathways Initiative

Stepwise Process

Step 1

Elevate WEIM/EDAM
Governing Body
authority in the
governance of
existing CAISO
energy markets

Step 2

Transfer governance
authority over existing
energy markets from
CAISO to a new
Regional Organization

Step 3

Continue expanding
the scope of
regionalized functions
and services offered
by the Regional
Organization



Step 1 Elevates WEIM Governing Body's "Joint Authority" with CAISO Board to "Primary Authority"

Initial Decisions

WEIM Governing Body makes the initial decision on proposals resulting from the stakeholder process if they fall within its decision-making scope (meets the existing "apply to" test)

"Jump Ball" Filings

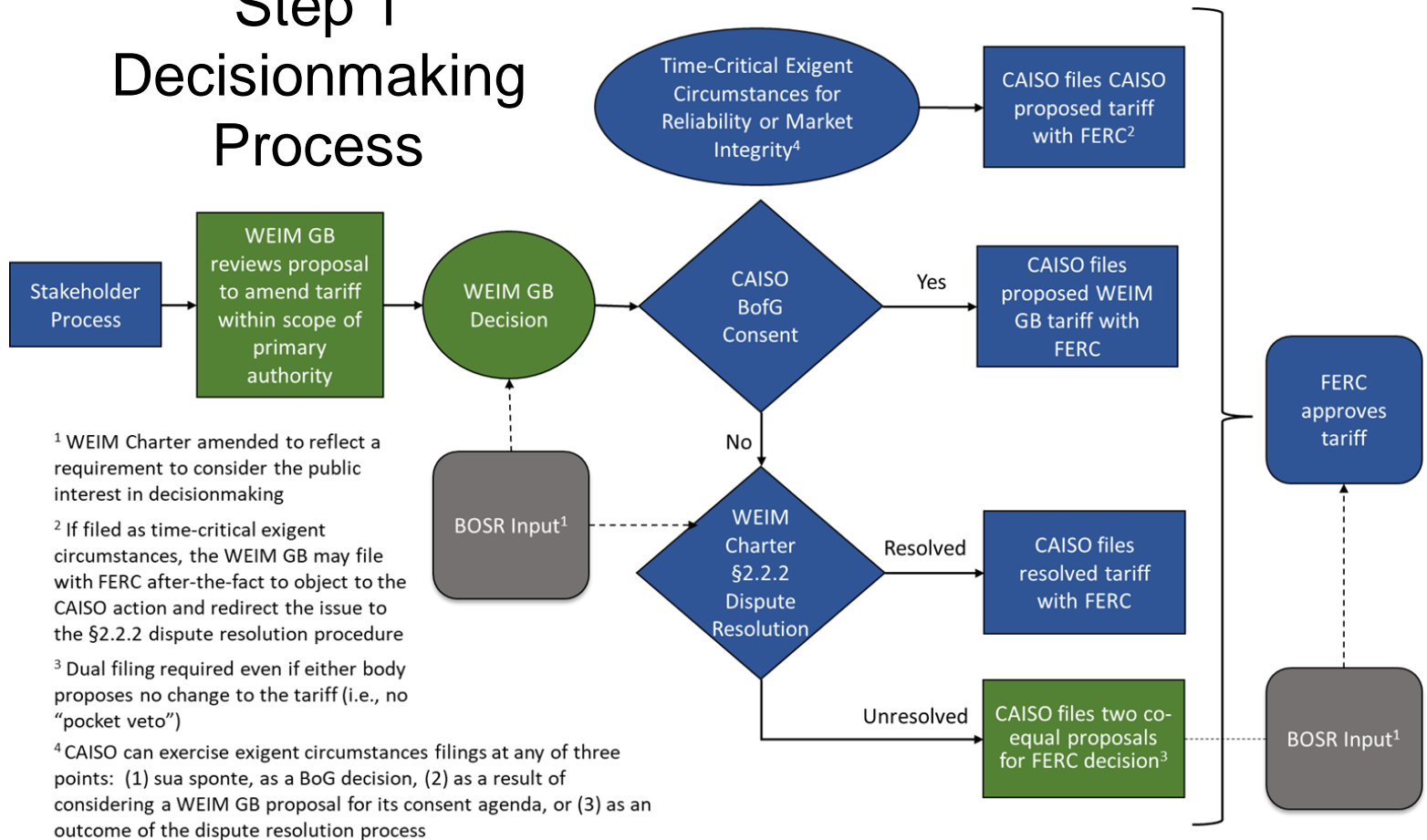
Unresolved disputes over tariff changes between WEIM Governing Body and CAISO Board require CAISO to use Section 205 filing rights to present both proposals, without preference, to FERC for decision

Public Interest

WEIM Governing Body adds new provisions to its Charter to reduce customer costs, preserve state and local policies, and maximize resources available to support reliability



Step 1 Decisionmaking Process



Integration of Step 1 Comments

Key Changes

- Expand responsibility of WEIM/EDAM Governing Body to respect both “state and local” policies
- Highlight the existing right of WEIM Governing Body to commence a governance review in consultation with the CAISO Board in the event of EDAM exit by a substantial number of EDAM entities
- Clarifications
 - Operation of the dual filing/jump ball process
 - Purpose and operation of the trigger
 - Meaning of “exigent circumstances”
 - Role of the Body of State Regulators
 - “Applies to” test for determining the scope of Joint Authority
 - Existing WEIM Charter §2.2.2 dispute resolution process



Thank You.



West-Wide Governance Pathways Initiative

Q&A

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Submitting Comments

- Information about submitting comments is available on the ISO's [policy initiative page](#) (Comments Due: July 10, 2024)
- Indicative Voting: Support, Neutral, Oppose
 - Your organization will be asked to vote to indicate whether it supports the Step 1 recommendation
- We seek feedback organized around the following topics:
 - Provide a summary of your view of the recommendation
 - Conversion from “Joint” to “Primary” authority
 - Modified dispute resolution and dual 205 filing mechanism
 - Incorporation of public interest safeguards
 - Trigger mechanism to implement Step 1

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

<http://www.caiso.com/about/Pages/Blog/default.aspx>.



April 15, 2024

Inside the ISO, Markets

Working groups playing key role in policy development

At the California Independent System Operator, we value the views of stakeholders and take a variety of steps to make sure they are integrated into our market design and transmission planning efforts. Over the past couple of years, we have looked for opportunities to enhance our engagement practices to give them more meaningful input at all ...

[READ MORE](#)

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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.