

# WESTERN ENERGY IMBALANCE MARKET (WEIM)

## Briefing on WEIM Governance Review Committee draft final proposal – phase 3 Extended Day-Ahead Market

WEIM Governance Review Committee

ISO Board of Governors and WEIM Governing Body

Joint General Session

December 14, 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.*

# WEIM Governance Review Committee Delegation of Authority

# Recommendations for delegation of authority and related topics

- Maintain joint authority construct
- Revise joint authority definition to expand scope of authority and advisory authority
- No change to process for decisional classification of initiatives
- No change to process for resolving disagreements about whether to approve proposed tariff changes within joint authority

## 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

Proposed definition expansion has three components:

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

# Recommended changes to Advisory Authority Scope/Process

“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.

- GRC recommends that existing process be enhanced to include the following elements where the Governing Body advises the Board not to adopt a proposal:
  - Advisory input must be provided and discussed in joint general session of both bodies; and
  - If Board gives approval to file proposal with FERC, the Governing Body would have the right to hire outside counsel or other independent assistance to prepare a written statement of its opposition that will be submitted to FERC in the proceeding in which the CAISO makes its tariff filing.

# WEIM Governance Review Committee Size and Composition of Governing Body



# Recommendations for size and composition of the Governing Body

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

# WEIM Governance Review Committee Stakeholder Engagement and Policy Development

# Recommendations for stakeholder engagement

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

The GRC thanks the RIF for its comments and encourages the RIF to continue 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 CAISO 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 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

- CAISO Board and Governing Body should have joint authority over decision on EDAM market design, as tentatively proposed
- EDAM governance proposal should become effective once FERC has conclusively accepted the CAISO's section 205 filing for market design

# GRC process for EDAM governance review

December

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

January

- Jan 9: GRC general session – decision on draft final proposal

February

- Feb 1: 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>

## WEIM GRC Phase 3 – Draft Final Proposal

[EDAM-Governance-Draft-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf \(caiso.com\)](#)