

# West -Wide Governance Pathways Initiative

Update for the CAISO Board of Governors  
and WEIM Governing Body

May 22, 2024



West-Wide Governance Pathways Initiative

## Agenda:

- I. Introductions
- II. Background and Regulator Statement
- III. Pathways Structure
- IV. Pathways Initiative Proposal
  - Step 1
  - Public Interest Focus
  - Step 2
- V. Next Steps
- VI. Questions

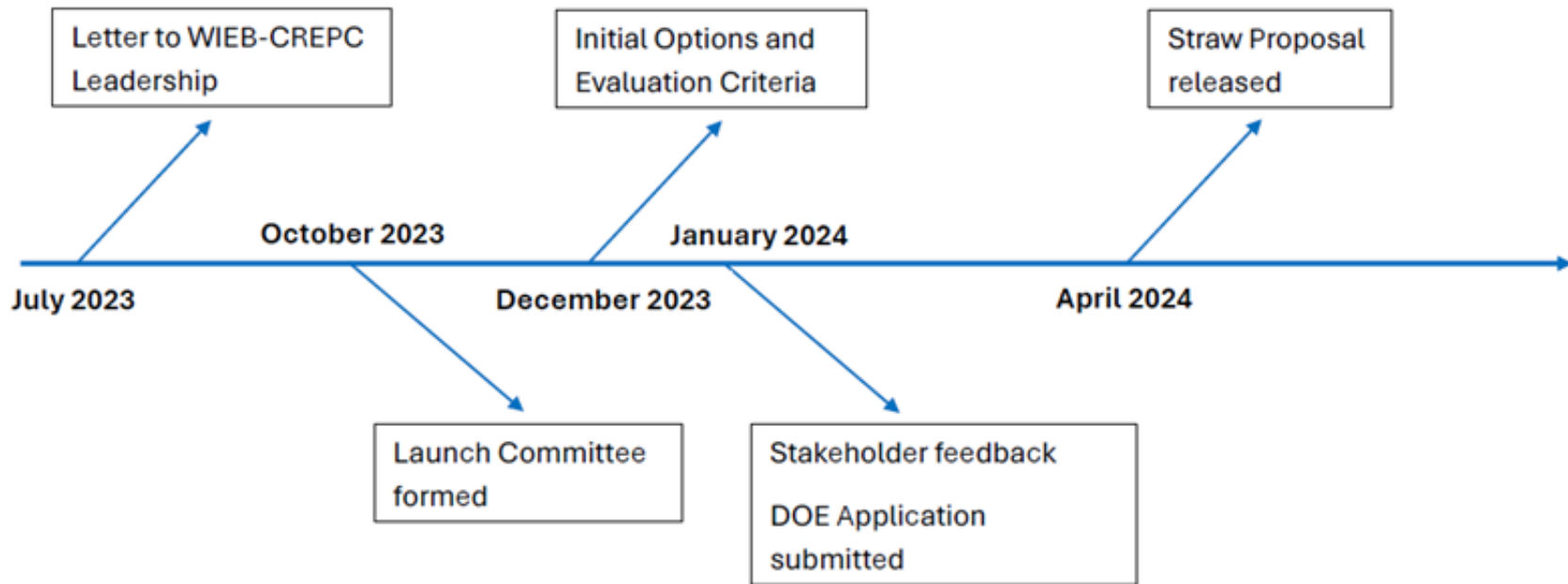


- **Spencer Gray, Northwest & Intermountain Power Producers Coalition**
- **Lisa Hickey, Interwest Energy Alliance**
- **Marc Joseph, Coalition of CA Utility Employees, CSAEW**
- **Evelyn Kahl, California Community Choice**
- **Scott Ranzal, Pacific Gas & Electric**
- **David Rubin, NV Energy**
- **Kathleen Staks, Western Freedom**



# Pathways Initiative Background





# Launch Committee Members

## **States/Provinces:**

Commissioner Milt Doumit, WA  
Commissioner Kevin Thompson, AZ  
President Alice Reynolds, CA

### *Alternates:*

Letha Tawney, OR  
Siva Gunda, CA  
Pat O'Connell, NM

## **CA IOU Transmission Owners:**

Scott Ranzal, PG&E  
Jeff Nelson, SCE

## **EIM Entities:**

Alyssa Koslow, APS  
David Rubin, NVE  
Kerstin Rock, PAC  
Pam Sporborg, PGE

### *Alternate:*

Robert Eckenrod, PAC

## **Labor:**

Marc Joseph, IBEW – CA

## **Public Power and Coops:**

Josh Walter, SCL  
Connor Reiten, PNGC  
Jim Shetler, BANC  
Randy Howard, NCPA

### *Alternate:*

Jon Olson, SMUD

## **Independent Power Producers:**

Scott Miller, WPTF  
Jan Smutny-Jones, IEPA  
Ben Fitch-Fleischmann, Interwest

### *Alternates:*

Spencer Gray, NIPP  
Lisa Tormoen Hickey, Interwest

## **Residential and Small Commercial Customers:**

Michele Beck, Utah Office of Consumer Services

## **Non-utility Load Serving Entities:**

Evelyn Kahl, CalCCA

## **Large C&I Customers:**

Kathleen Staks, Western Freedom  
*Alternate:*  
Heidi Ratz, CEBA

## **Technology Providers:**

Brian Turner, AEU

## **Public Interest Organizations:**

Michael Colvin, EDF  
Alaine Ginocchio, WRA  
Ben Otto, NW Energy Coalition  
*Alternate:*  
Mark Specht, UCS

## **Power Marketing Authorities:**

Chrystal Dean, WAPA



# 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 proposed Extended Day Ahead Market (EDAM) that has been submitted to FERC;
- 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.



# Pathways Initiative Proposal



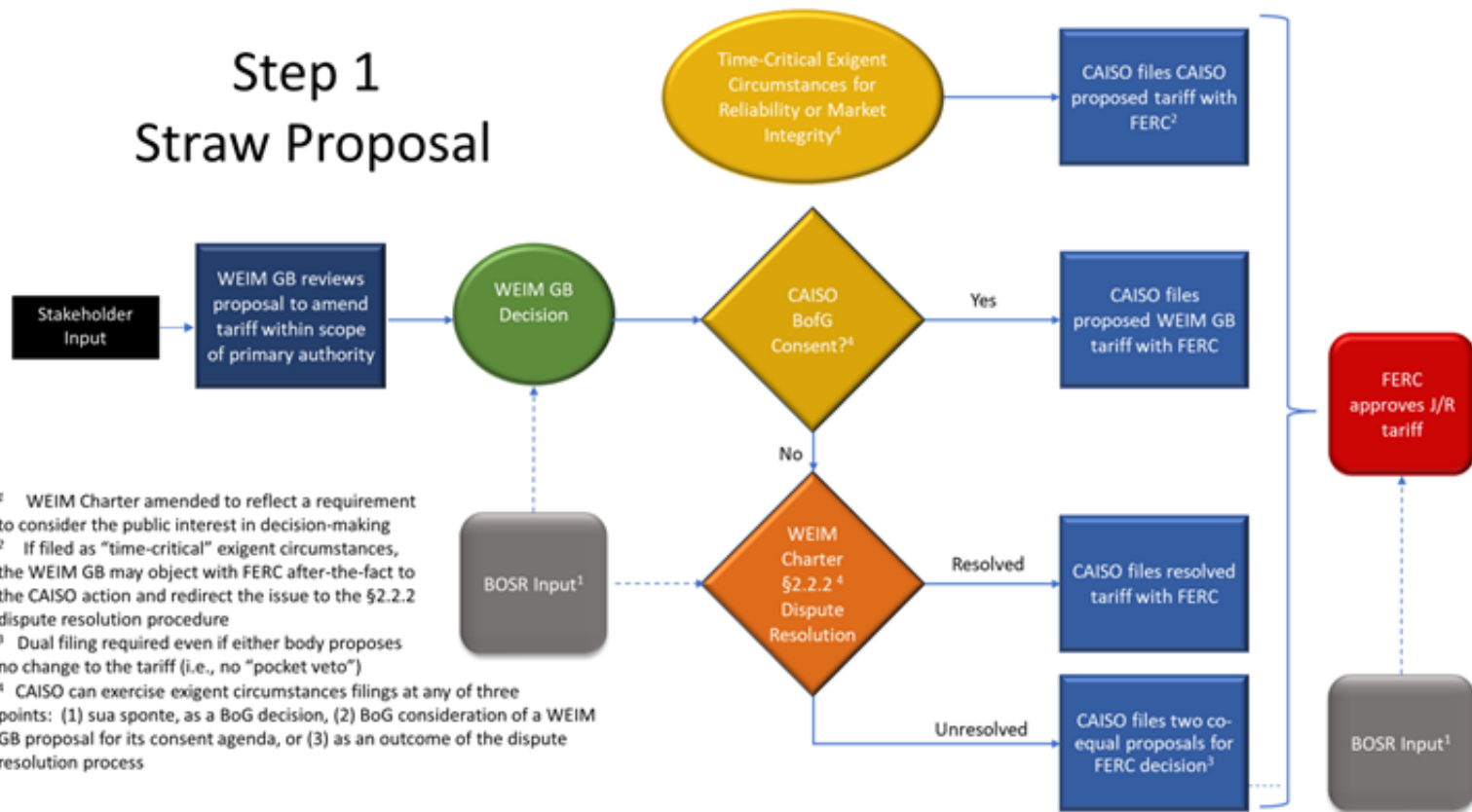


# Pathways Initiative

## *Stepwise Regionalization Process*



# Step 1 Straw Proposal



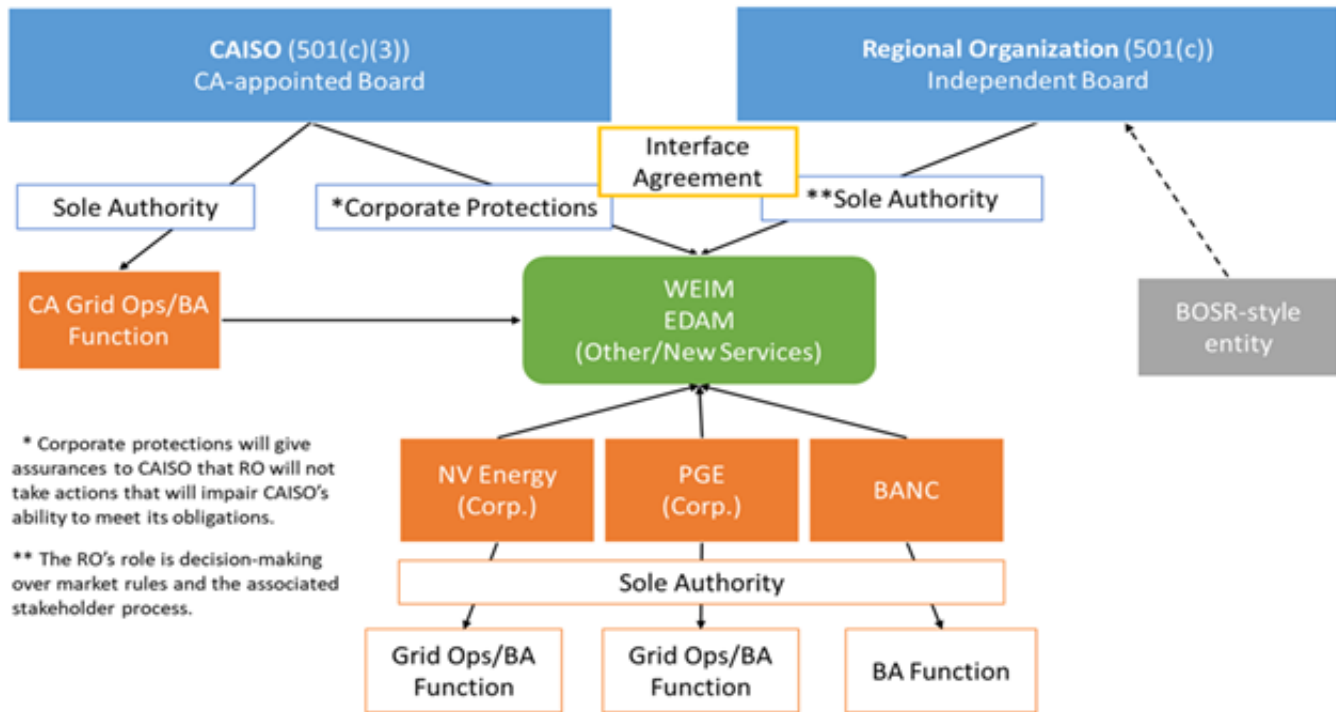
# Evaluation Criteria

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 authority to set procurement, environmental, reliability and other public interest policies.**



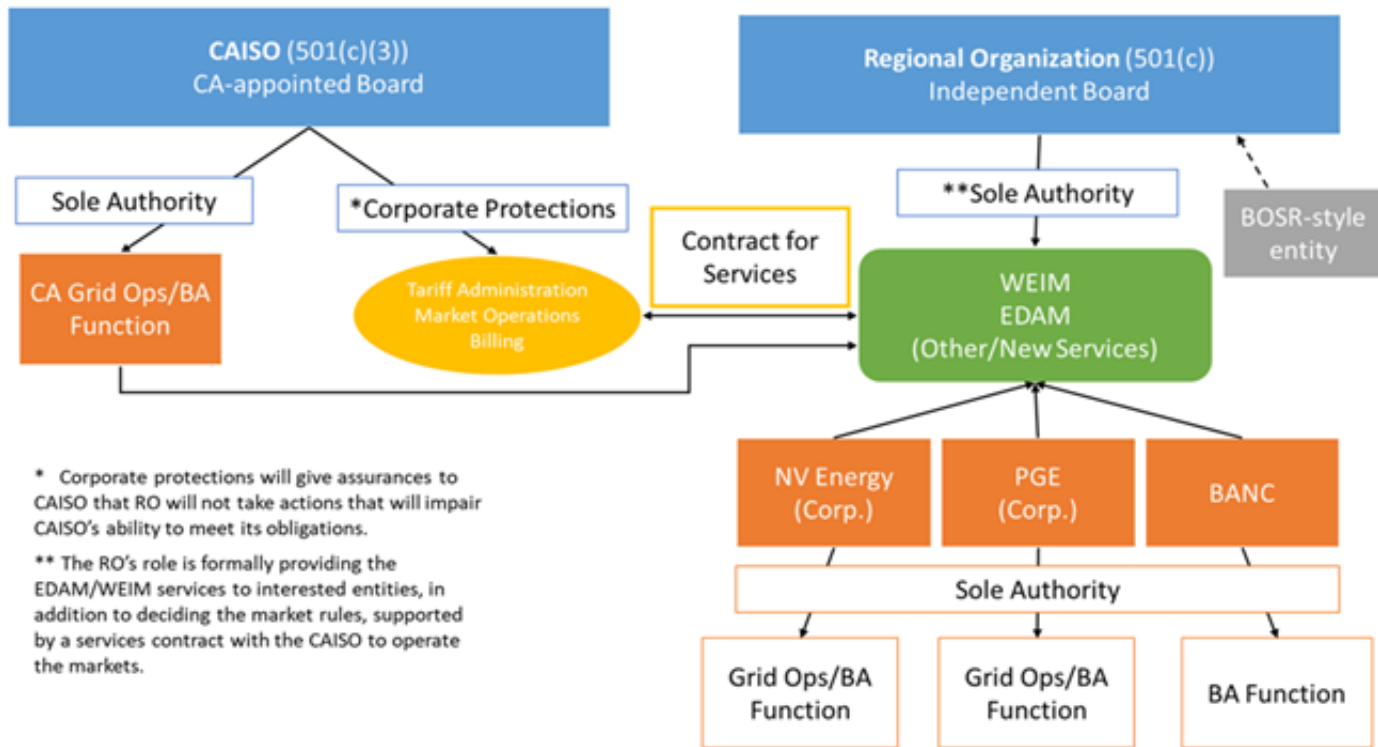
# STEP 2/Option 2.0

## New RO with "Sole" Authority Over Market Governance



## STEP 2/Option 2.5

### New RO with “Sole” Authority Over Market Governance & Operations



\* Corporate protections will give assurances to CAISO that RO will not take actions that will impair CAISO's ability to meet its obligations.

\*\* The RO's role is formally providing the EDAM/WEIM services to interested entities, in addition to deciding the market rules, supported by a services contract with the CAISO to operate the markets.



# Next Steps

- Finalize Step 1 with public vote
  - May 31 Stakeholder Meeting
- Deliver Step 1 recommendation to CAISO BoG and WEIM GB for stakeholder process and implementation
- Refine and finalize Step 2 with stakeholder workshops and collaboration with CAISO staff
- Step 2 final recommendation: Sept./Oct.
- RO Initiation: Jan. - June 2025
- CA legislative engagement (ongoing): 2025 legislative session





**Thank You.**



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