

WESTERN ENERGY IMBALANCE MARKET

Decision on Governance Review Committee Part One Draft Final Proposal

Therese Hampton - Chair
Andrew Campbell
Governance Review Committee

ISO Board and EIM Governing Body Joint Meeting
General Session
May 6, 2021




Governance Review Committee (GRC) charter and purpose

- June 2019: Charter
 - Develop, through an iterative public stakeholder process, proposed revisions to the current EIM governance structure
 - May consider potential governance enhancements in the event that a day-ahead market is added to the current EIM market structure
 - Strive to develop a consensus proposal that has the support of all members
 - Present to the EIM Governing Body and ISO Board of Governors a proposal for their review and consideration

The GRC has 14 members.

- Chair Therese Hampton, Public Generating Pool
- Vice Chair Rebecca Wagner, Independent Consultant
- Tony Braun, Braun Blasing Smith Wynne, PC
- Andrew Campbell, Energy Institute at Haas, University of California, Berkeley
- Suzanne Cooper, Bonneville Power Administration
- Eric Eisenman, Pacific Gas and Electric Company
- Angelina Galiteva, ISO Board of Governors*
- Jennifer Gardner, Envision Energy
- Valerie Fong, EIM Governing Body*
- Doug Howe, Independent Consultant
- Idaho Commissioner Kristine Raper, Body of State Regulators
- Rob Taylor, Salt River Project
- Cameron Yourkowski, EDP Renewables North America LLC
- Mary Wiencke, PacifiCorp

**Indicates non-voting, advisory member*



The GRC focused on engaging with stakeholders through an iterative process to develop a proposal on EIM governance.

- January 2020: Scoping Paper
 - Comments and Stakeholder workshop
- July 2020: Straw Proposal
 - Comments and Stakeholder Workshop
- December 2020: Revised Straw Proposal
 - Comments
- April 2021: Part One Draft Final Proposal
 - Vote to submit proposal to the Board and EIM Governing Body

The GRC proposes a phased approach for the draft final proposal on EIM governance.

- Part One Draft Final Proposal:
 - Proposal addresses all topics in the EIM Governance Review except delegation of authority topics
 - GRC submits proposal to the Board and EIM Governing Body for their consideration in May
- Part Two Draft Final Proposal:
 - Continue discussions with stakeholders to finalize recommendations on delegation of authority topics
 - GRC will complete the proposal as soon as practical, aiming for June




The GRC proposes three sets of changes to the selection process for EIM Governing Body members.

- Make the Public Interest or Consumer Advocate Groups sector a voting member of the Nominating Committee
- Permit a 60-day “holdover period” for EIM Governing Body members
- Modify language for Nominating Committee to emphasize diverse perspectives resulting from a revised list of qualities for consideration

The GRC proposes modifying the current Regional Issues Forum rather than creating a formal stakeholder or member committee.

- Expand topics the Regional Issues Forum may address by removing the limitation on engagement on issues that are in active stakeholder processes
- Maintain Regional Issues Forum independence in developing its own rules and procedures
- Revise the current sectors and add one liaison for the federal power marketing administrations
- Standing agenda item for EIM Governing Body meetings



The GRC recommends the Body of State Regulators consider adding non-voting liaison positions for Federal power market agencies and consumer-owned utilities who participate in the EIM.

- Supports the inclusion of non-voting Federal power marketing administration and consumer-owned utility liaisons to the Body of State Regulators
- The GRC did not make a recommendation for funding the Body of State Regulators in their proposal, and this issue has been resolved through a funding agreement outside the ISO market

The GRC proposes an increased EIM Governing Body role in market monitoring and market expertise.

- Advisory (non-voting) role on Department of Market Monitoring Oversight Committee
- Joint authority with Board on Market Surveillance Committee member approval
- EIM Governing Body should retain a “Governing Body Market Expert”
 - Selection and retention left to EIM Governing Body’s discretion
 - Costs recovered from all market participants
 - Not tied to Extended Day-Ahead Market
 - Not involved in market monitoring

The GRC makes several other recommendations in the Part One Draft Final Proposal.

- No changes to the policy initiatives roadmap process or the EIM Governing Body mission statement
- Assessment if additional governance changes needed prior to final approval of Extended Day-Ahead Market market design by GRC
- Re-evaluation after 5 years

Stakeholders generally support the recommendations and content of Part One Draft Final Proposal.

- General support and minimal comments on:
 - EIM Governing Body Selection
 - Mission Statement
 - Other Areas of EIM Governing Body involvement
- Some support proposed revisions to the Regional Issues Forum and Body of State Regulators liaisons while others requested definitional changes
- Some support that a Governing Body Market Expert be made available now. Others do not support creation of a Governing Body Market Expert and/or recommend that it be funded by entities outside the ISO



Part Two Draft Final Proposal will include the committee's recommendations on Delegation of Authority Topics.

- Delegation of Authority
- Scope of Joint Authority
- Process for resolving potential deadlocks
- Decisional classification dispute resolution
- Durability of Delegation of Authority

The GRC has a proposed calendar for development and approval of a Part Two Draft Final Proposal on the delegation of authority issues.

May

- Sub-team continues discussions with parties on proposed options
- Stakeholder workshop to discuss issues
- Stakeholder comment on workshop discussion

June

- Draft Final Proposal Part Two is published

Helpful links

EIM Governance Review Committee information

<https://www.westerneim.com/Pages/Governance/GovernanceReviewCommittee.aspx>

EIM Governance Review Initiative webpage

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Western-EIM-governance-review>

Western EIM Governance Review Committee Part One Draft Final Proposal

http://www.caiso.com/InitiativeDocuments/PartOneDraftFinalProposal_EIMGovernanceReview.pdf