

Memorandum

To: ISO Board of Governors and Energy Imbalance Market Governing Body
From: Stacey Crowley, Vice President, External and Customer Affairs
Roger Collanton, Vice President, General Counsel and Corporate Secretary
Date: September 11, 2019
Re: **Decision on EIM Governance Review Committee Membership**

This memorandum requires EIM Governing Body action and, if so approved, Board of Governors action.

EXECUTIVE SUMMARY

At their June 28, 2019, joint general session meeting, the EIM Governing Body and the Board of Governors (Board) approved the Energy Imbalance Market Governance Review Committee Charter, which established a governance review committee responsible for conducting a public stakeholder process to review the EIM governance structure and recommend any proposed governance changes for consideration by the EIM Governing Body and the Board.

The EIM Governing Body and the Board are each to designate one member to serve as a non-voting, advisory member of the Committee. The Body of State Regulators may designate one of its members to serve as a voting member of the Committee.

The remaining members were to be selected through a stakeholder driven nomination and ranking process. The EIM Governing Body and the Board were provided a list of sixteen nominees to serve on this committee, developed by six industry sectors through this process as defined in the charter. Each sector ranked the nominees and provided a confidential list to the ISO Assistant Corporate Secretary for compilation and dissemination to the EIM Governing Body and the Board for consideration.

Along with the confidential ranked lists, the EIM Governing Body and the Board received each nominee's resume or a statement of interest, indicating the nominee's relevant experience and reason for wanting to serve on the EIM Governance Review Committee. The EIM Governing Body and the Board, in joint executive session, reviewed the sector rankings and developed a proposed slate of ten candidates to consider for formal appointment.

The proposed slate of individuals, in alphabetical order, for the EIM Governance Review Committee is as follows:

1. *Tony Braun, Braun Blasing Smith Wynne, PC*
2. *Andrew Campbell, Energy Institute at Haas, University of California, Berkeley*
3. *Suzanne Cooper, Bonneville Power Administration*
4. *Eric Eisenman, Pacific Gas and Electric Company*
5. *Jennifer Gardner, Western Resource Advocates*
6. *Therese Hampton, Public Generating Pool*
7. *Doug Howe, Independent Consultant*
8. *Rob Taylor, Arizona Public Service*
9. *Rebecca Wagner, Independent Consultant*
10. *Cameron Yourkowski, EDP Renewables North America LLC*

These ten individuals, plus the three designated members described above, once seated, will be responsible for overseeing an iterative, public stakeholder process to consider possible revisions and improvements to the EIM governance structure in light of accumulated experience and the evolution of the EIM since its inception. The committee will present the results of this work to the EIM Governing Body and the Board for consideration. Upon completion of this work, the committee will be disbanded.

Management proposes the following motions in order as follows:

EIM Governing Body Motion:

Moved, that the EIM Governing Body appoints the following individuals to the EIM Governance Review Committee:

***Tony Braun
Andrew Campbell
Suzanne Cooper
Eric Eisenman
Jennifer Gardner
Therese Hampton
Doug Howe
Rob Taylor
Rebecca Wagner
Cameron Yourkowski***

Board of Governors Motion:

Moved, that the Board of Governors appoints the following individuals to the EIM Governance Review Committee:

Tony Braun
Andrew Campbell
Suzanne Cooper
Eric Eisenman
Jennifer Gardner
Therese Hampton
Doug Howe
Rob Taylor
Rebecca Wagner
Cameron Yourkowski

DISCUSSION AND ANALYSIS

The full details of the EIM Governance Review Committee, including its structure, member qualifications, formation process, committee operations and purpose, are found in the aforementioned charter developed in a stakeholder process that began in December 2018 and was approved by the EIM Governing Body and Board in June 2019.

EIM Governance Review Committee structure

The charter provides for eleven to thirteen committee members, eight to ten of which are appointed from a pool of nominees developed by a broad cross-section of stakeholders organized in six sectors. The individuals can vary by occupation, expertise, and affiliation, and need not be affiliated with a stakeholder to qualify. In addition, the EIM Governing Body and the Board will each designate one member from their respective bodies to serve as a non-voting advisory member of the committee. The charter also provides for the Body of State Regulators to designate one of its members to serve as a voting member of the committee.

Nomination process

Six industry sectors were formed through an open stakeholder process to nominate and rank individuals for consideration by the EIM Governing Body and the Board. The sectors included:

1. EIM entities
2. Participating transmission owners
3. Pending new EIM participants
4. Publicly-owned utilities
5. Suppliers and marketers of generation and energy service providers
6. Public interest or consumer advocates

Each sector was tasked with nominating at least three individuals for consideration. The minimum qualifications for EIM Governance Review Committee eligibility were directed toward establishing a diverse and sophisticated committee. All potential nominees were to possess proven leadership skills, a strong understanding of the

regional political landscape, collective knowledge and experience in electricity markets, corporate governance, legal and regulatory matters, and optimally should reflect a diverse geographic background and viewpoint.

Qualities that sector groups used when identifying and considering nominees included:

1. Proven leadership skills with respect to a wide range of complex issues;
2. Understanding of regional issues;
3. Ability and willingness to consider and represent a broad range of perspectives and to work collaboratively to build consensus;
4. General industry experience;
5. Support for the success of the western energy imbalance market and, if applicable, the extended day-ahead market; and
6. Availability to actively participate in the EIM Governance Review Committee on an ongoing basis for the duration of its existence.

Both the nomination and ranking processes were accomplished through sector conference calls and meetings, each led by the respective sector liaison. The liaison was selected by each sector membership to manage the process for their sector, coordinate communication, collaborate with other sector liaisons, and work with the ISO to follow the process as outlined in the charter.

The sector liaisons submitted their nominations, along with a resume or statement of interest from each nominee to the Assistant Corporate Secretary. The names and related materials were then compiled and posted to the Western EIM website on July 31, 2019.

Ranking process

Each sector, through meetings facilitated by sector liaisons, provided the Assistant Corporate Secretary with a confidential ranked list of nominees on or before August 16, 2019.

Development of proposed slate

In a closed joint executive session held on August 29, 2019, the EIM Governing Body and the Board evaluated the nominees' qualifications, pursuant to the guidelines established in the charter, reviewed the rankings from each sector and developed a potential slate of individuals. The charter's guidelines indicate that the committee membership as a whole needs to collectively reflect a broad and diverse range of regional perspectives and a commitment to the continued success of the EIM, and if applicable, the implementation of an extended day-ahead market, and to the successful completion of the EIM governance review process.

Operation of the EIM Governance Review Committee

As contemplated in the charter, once seated, the committee will begin working immediately, with its first meeting tentatively planned for this fall. The EIM Governance Review Committee meetings and deliberations will be subject to the ISO's Open Meeting Policy, including its notice requirements. The charter does not provide for committee member compensation.

CONCLUSION

Management supports the slate of EIM Governance Review Committee members proposed by the EIM Governing Body and the Board and recommends that the EIM Governing Body and the Board appoint the members.

The EIM Governing Body, the Board, and Management extend their sincere gratitude to all sector participants and nominees for their engagement, interest, and conscientious work. We offer special thanks to the sector liaisons, who exceeded our expectations, worked collaboratively, thoroughly and expeditiously to fulfill their mission and provide the EIM Governing Body and the Board with an exceptional list of nominees.