



Public Advocates Office
California Public Utilities Commission
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**COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON THE ENERGY
IMBALANCE MARKET (EIM) STRAW PROPOSAL FOR FORMATION OF AN EIM
GOVERNANCE REVIEW COMMITTEE POSTED ON APRIL 1, 2019 AND THE EIM
GOVERNANCE REVIEW FORMATION PRESENTATION AND STAKEHOLDER
MEETING ON APRIL 10, 2019**

April 29, 2019

The Public Advocates Office at the California Public Utilities Commission is the state's independent consumer advocate with a mandate to obtain the lowest possible rates for utility services, consistent with reliable and safe service levels, and the state's environmental goals.

The Public Advocates Office submits the following comments and recommendations on the EIM Governance Review Committee (EIM-GRC) formation proposal which covers the proposed EIM-GRC scope of work and composition.

The EIM Straw Proposal on the formation of an EIM-GRC makes the following recommendations regarding the composition and selection of the EIM-GRC:

- There should be eleven to thirteen members, including one member each from the EIM Governing Body, the CAISO Board,¹ and the Body of State Regulators (BOSR).²

¹ *EIM Governance Review, EIM Straw Proposal for Formation of an EIM Governance Review Committee*, April 1, 2019, CAISO on behalf of the EIM Governing Body, p. 4.

² *EIM Governance Review, EIM Straw Proposal for Formation of an EIM Governance Review Committee*, April 1, 2019, p. 4. The Straw Proposal states the Governance Review Committee will include one member of the Body of State Regulators (BOSR) if they are available. At the April 24, 2019 EIM Governing Body meeting, a representative from the BOSR stated that a BOSR representative would be available to participate in the GRC. For reference "the EIM BOSR is comprised of one commissioner from each of the state public utilities commissions in which a regulated load-serving utility participates or plans to participate in the CAISO EIM. The EIM BOSR provides a forum for state commissioners to (1) select a voting member of the EIM Governing Body Nominating Committee, (2) learn about and discuss the EIM and CAISO markets, and (3) express a common position in CAISO stakeholder processes or to the EIM Governing Body on EIM issues." <https://westernenergyboard.org/eim-bosr/what-we-do/>

- The remaining eight to ten members should be jointly selected by the EIM Governing Body and the CAISO Board from a ranked list of nominees representing five energy sectors and established through a stakeholder sector-based nomination and ranking process.³
- The proposed five energy sectors are: (1) EIM Entities; (2) Participating Transmission Owners; (3) Publicly-Owned Utilities; (4) Suppliers and Marketers of Generation and Energy Service Providers; and (5) Public Interest Groups and Consumer Advocates.⁴

Recommendations for GRC Composition

The Public Advocates Office provides two recommendations to ensure that the composition of the EIM-GRC is balanced among EIM entities and stakeholders. First, the Public Advocates Office recommends that the EIM-GRC include a representative from the Consumer Advocates sector separate and apart from the Public Interest Groups sector. Consumers' utility rates are directly impacted by decisions related to the EIM and, therefore, they should have a representative on the EIM-GRC. The Public Interest Groups sector includes entities whose interests are not always aligned with consumer interests. Both Consumer Advocates and Public Interest Groups sectors represent important viewpoints, and for this reason, and the other reasons mentioned the two sectors should not be combined as one voting member on the EIM-GRC. It is worth noting that the Southwest Power Pool's (SPP) Corporate Governance and Membership Committees do not combine representation from the Public Interest Groups sector and Consumer Advocates sector. Instead, these SPP committees allow for separate representation from the Consumer Advocates sector and the Public Interest Groups sector.^{5,6}

Second, the Public Advocates Office recommends allocating the EIM-GRC sector representation as follows:

EIM-Governance Review Committee Composition

3 slots for EIM Entities

2 slots for Participating Transmission Owners

³ *EIM Governance Review, EIM Straw Proposal for Formation of an EIM Governance Review Committee*, April 1, 2019, CAISO on behalf of the EIM Governing Body, p. 4.

⁴ *EIM Governance Review, EIM Straw Proposal for Formation of an EIM Governance Review Committee*, April 1, 2019, CAISO on behalf of the EIM Governing Body, p. 5.

⁵ *Southwest Power Pool – Governing Documents Tariff – Bylaws, First Revised Volume No. 4 – Bylaws 5.0 Committees Advising the Board of Directors – Bylaws 5.1 Members Committee*, Effective Date 9/1/2018 # ER18-2383-000, p. 54. The Southwest Power Pool (SPP) allows for one representative each from the large retail customer and from the small retail customer on their Member Committee. The small retail customer sector as defined by SPP represents residential customers and other customers with individual or aggregated loads of less than one-megawatt.

⁶ *Southwest Power Pool – Governing Documents Tariff – Bylaws, First Revised Volume No. 4 – Bylaws 5.0 Committees Advising the Board of Directors – Bylaws 5.1 Members Committee*, Effective Date 9/1/2018 # ER18-2383-000, p. 63. The Southwest Power Pool allows for one representative to represent the large retail customer and small retail customer sector on its Corporate Governance Committee.

- 2 slots for Publicly-Owned Utilities
- 1 slot for Supplier and Marketer of Generation and Energy Service Providers
- 1 slot for Consumer Advocates
- 1 slot for Public Interest Groups

This allocation complies with the proposed limit on EIM-GRC members.

1. Recommendation for EIM-GRC Proxies

Given the expected time commitment for the EIM-GRC to complete its work, the Public Advocates Office recommends allowing selected EIM-GRC member representatives to designate a proxy who is authorized to participate in EIM-GRC meetings and vote on EIM-GRC items if the selected EIM-GRC representative is not available.

2. Recommendation for EIM-GRC Travel Funding

To allow for participation from Consumer Advocates and Public Interest Groups, the Public Advocates Office recommends authorizing funds from the EIM administrative charges to reimburse EIM-GRC meeting travel costs.

At this time, the Public Advocates Office does not have comments on the proposed scope of work for the EIM-GRC.

If you have any questions regarding these comments, please contact Jerry Melcher at Jerry.Melcher@cpuc.ca.gov.