

West-Wide Governance Pathways Initiative

Joint ISO Board of Governors
and Western Energy Markets Governing Body
General Session Meeting
July 15, 2026



West-Wide Governance Pathways Initiative

ROWE Board Selection Process Schedule

Key Dates 2026	Step in Search Process
June 30	Deadline for Candidate Submission
July 15	Submittal of Qualified Candidate List to Nominating Committee
August 5	Shortlist determination. You will be notified by Lyceum after this date whether you have been selected or not for 1 st Round Interviews.
August 25, 27, 28, and 31	1st Round Candidate interviews with Nominating Committee. These will be 60- to 75-minute virtual interviews. All potential candidates should tentatively hold at least 2 of these dates. You will be notified by Lyceum after the last interview date whether you have been selected or not for Final Round Interviews.
September 14 and 15	Final Round Candidate interviews with Nominating Committee. These will be 60- to 75-minute in-person interviews. Location TBD. All potential candidates should tentatively hold both of these dates. You will be notified by Lyceum after the last interview date whether you have been selected or not for the Final Slate of Candidates.
By September 25	Nominating Committee recommends Final Slate of Candidates to Formation Board
By September 30	Formation Board appoints new Board of Directors



ROWE Board Briefing Book - Outline

I. Background

II. Corporate Organization and Governance

- a. Corporate Docs
- b. Policies
- c. Board Governance
- d. Principal Place of Business

III. Regulatory Structure and Oversight

- a. Scope of FERC Regulation
- b. Tariff
- c. ROWE-CAISO Agreement
- d. Market Oversight

IV. Finance

- a. Global Impact support
- b. Debt Financing
- c. 2027-2028 Draft Budgets
- d. ROWE Budget Process
- e. Cost Recovery Mechanism

V. Staffing and External Resources

- a. ROWE Staff
- b. Consulting and Legal
- c. Stakeholder/Volunteer Support
- d. CAISO Support

VI. Communications and Outreach

- a. Public Affairs
- b. Office of Public Participation
- c. External Coordination (CAO, BOSR, Tribal Engagement)

VII. Stakeholder Process

- a. Transitional Process
- b. Final Process

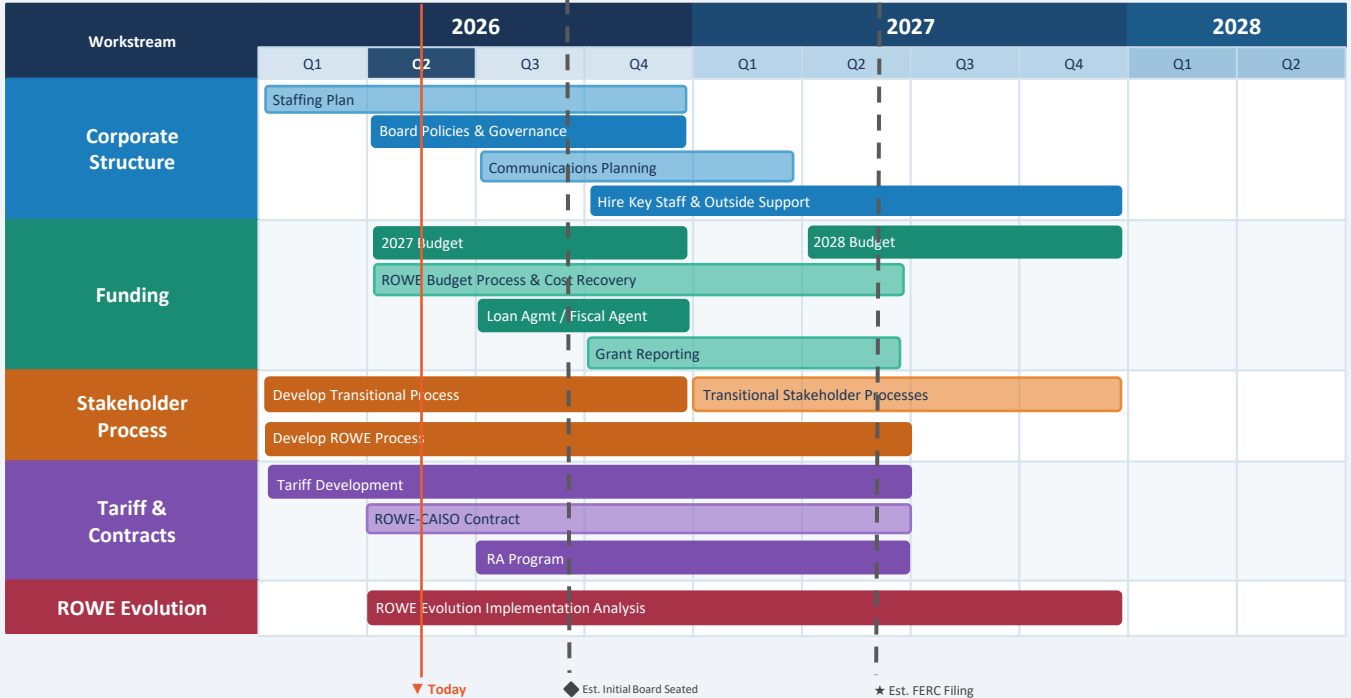
VIII. RA Program

IX. ROWE Evolution



ROWE Implementation Swimlanes

Parallel workstreams · Q1 2026 – Q2 2028



Work Group Updates

- Finance
- Market Oversight and Data Access
- Tribal Engagement
- Stakeholder Process
- Regulatory Structure



Finance

Scope: debt financing, developing draft budgets for 2027-2028, ROWE budget process, and the cost recovery mechanism.

Seeking funding for ROWE start-up costs of \$~8-9 million using the following options:

- Stakeholder contributions
 - Phase III Pledge Form: <https://www.westernenergyboard.org/wp-content/uploads/WWGPI-Phases-III-Pledge-Form.pdf>
- Grants
- Debt financing

Working on: ROWE Budget process, cost recovery, and draft 2027-2028 budgets.



Market Oversight and Data Access

Scope: Implementation of the recommendations in the Final Proposal and related AB 825 provisions.

Goal: Collectively, these market oversight functions (DMM, MSC, Market Expert) need to be able to analyze how customer interests, including affordability and reliability, are safeguarded in non-discriminatory market design and operations.

- Developing proposals related to DMM, DMM Oversight Committee, MSC, and Market Expert.
- Data/Information Sharing: exploring how to enable robust information sharing that preserves confidentiality.



Tribal Engagement

Scope: Partner with Tribal representatives across the West to better understand the range of current market engagement and unique challenges, how these may change and evolve over time, working collaboratively on recommendations for how the ROWE can best support their collective needs.

- Status: working with Tribal representatives to develop a proposal for the ROWE Board that will include ongoing work as the ROWE develops.



Stakeholder Process Overview and Update

- Principles
- Elements
- Stakeholder Representatives Committee
- Process
- Significant Opposition and the Remand Process
- Classification: Compliance with State and Local Public Policy

Comments due July 10.



Principles of the Stakeholder Process

- Openness – participation open to all persons;
- Transparency – transparent to the public;
- Consensus building – build and document consensus;
- Fair balance of interests – not dominated by a small number of sectors, and respect for minority positions;
- Due process – reasonable notice and opportunity to participate and to have views considered; and
- Timeliness – getting things done, not bogged down in stalemates
- Efficiency
- Cost minimization



Elements of the Stakeholder Process

The stakeholder process is the primary function through which the ROWE will exercise its sole authority over market rules.

- Stakeholder Representatives Committee (SRC)
- Classification of Stakeholder Initiatives
 - Compliance/Non-Discretionary
 - Compliance with State and Local Public Policy
 - Discretionary
- Board Public Policy Committee
- Indicative voting and public comment to inform the Board



Stakeholder Representatives Committee (SRC)



Stakeholder Process Phases

- **Issue Identification and Prioritization:**

- Catalog
 - Proposal Submission
 - Classification
- Roadmap
 - SRC Roundtable
 - Prioritization
- Board Consideration

- **Stakeholder Initiative Phase**

- Issue Evaluation: Refinement of the Problem Statement
- Policy Development: Identification of Solutions
 - Straw Proposal Development
 - Draft Final Proposal Development
 - Final Proposal Development
- Board Consideration



Pathways Initiative

Stepwise Process



Regulatory Structure Objectives

- To secure the **independence** of ROWE governance of the day-ahead and real-time energy markets
- To ensure **accountability and transparency** in the ROWE's exercise of its obligations subject to FERC oversight and public scrutiny
- To preserve **CAISO's corporate structure and health** by clearly defining the respective roles and responsibilities of the two entities
- To establish a **flexible platform for expansion** of ROWE services and responsibilities over time
- To enable **timely implementation**



Three-Part Regulatory Structure



Three-Part Regulatory Structure

1. The Integrated CAISO Tariff

- Integrated tariff comprises rules subject to the sole authority of the ROWE, joint authority of the ROWE and CAISO, and CAISO sole authority
- ROWE has sole authority to establish and modify *market rules* and to direct related 205 filings
- ROWE and CAISO maintain joint authority over rules governing *business and legal relationship* with market participants (e.g., creditworthiness)
- CAISO continues to administer the integrated tariff and make 205 filings
- CAISO continues to serve as market operator
- CAISO administers the mechanism to recover the ROWE's costs
- CAISO remains the counterparty to market participant agreements



Three-Part Regulatory Structure

2. The ROWE Governance Tariff

- ROWE has sole authority over these tariff provisions, administers the tariff, and makes 205 filings for any changes consistent with ROWE-CAISO coordination agreement
- Encompasses ROWE's core functions/ structure and the process for exercising sole authority over market rules, such as
 - Board composition
 - Inclusive stakeholder committees and processes
 - ROWE budget development and cost recovery through CAISO
 - Support and funding for the Body of State Regulators, Office of Consumer Advocate, and Office of Public Participation, and
 - Joint oversight of the Department of Market Monitoring
- Similar to the Markets+ Appendix O and portions of the WRAP Tariff
- Supports and interacts with other ROWE governance documents
- Establishes a platform for future service expansion



Three-Part Regulatory Structure

3. The CAISO-ROWE Coordination Agreement

- Framework for the CAISO-ROWE relationship, establishing rights and responsibilities of each party, establishing, for example:
 - ROWE authority to direct filings to modify market rules in CAISO tariff
 - Roles in the filing of Tariff changes and FERC litigation
 - Coordination between the parties to implement ROWE funding
 - Roles in hiring/oversight of regional markets VP and Director of Market Monitoring
 - Procedures for data sharing and confidentiality, and
 - Audit rights, dispute resolution, indemnification
 - Framework for evolution of the relationship
- Both CAISO and the ROWE will be public utilities by virtue of their respective roles and jurisdictional documents on file



Other CAISO Roles Remain Intact

- CAISO retains sole authority over balancing authority functions and related tariff provisions
- CAISO retains sole authority over transmission operation and related tariff provisions
- CAISO continues in role as Reliability Coordinator and related tariff provisions



Evolution and Future State

As the ROWE develops over time, it will *potentially*:

- Assume standalone section 205 authority (no longer delegated by CAISO) and tariff administration
- Take broader financial responsibility
- Become the counterparty to Market Participant Agreements
- Offer additional voluntary services as requested by market participants, (e.g., Reliability Coordinator, Ancillary Services market, voluntary EDAM Resource Adequacy program)



Upcoming Opportunities for Engagement

- Next monthly stakeholder meeting will be held
 - Friday, August 14, 2026
 - 10:00-12:00PT/11:00-1:00MT/12:00-2:00CT
- The last stakeholder meeting before the Board is seated will be on
 - Friday, September 25, 2026
 - 10:00-12:00PT/11:00-1:00MT/12:00-2:00CT

Comments on Stakeholder Process due July 10.

