



California ISO

Board Selection Policy Revisions

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Stakeholder Call
06/08/2020

Agenda

| Time | Topic | Presenter |
|---------------|---|------------------|
| 10:00 – 10:10 | Welcome | Kristina Osborne |
| 10:10 – 11:20 | Overview of Board Selection Policy Revisions | Greg Fisher |
| 11:20 – 11:30 | Next Steps | Kristina Osborne |

Note: Stakeholders will have an opportunity to ask questions during the call and submit written comments on the draft policy by June 22, 2020.

History

- Board Selection Policy adopted by the ISO Board of Governors in 2005
- Provides for a robust, stakeholder-driven process using a professional search firm to advise the Governor on qualified Board candidates for appointment
- FERC accepted the policy as part of the resolution of the governance dispute with the State of California
- Sectors and candidate qualifications were designed to reflect needs at the time
- Since 2005, several market and operations developments have not been reflected in the policy

Overview of Proposed Changes

- Reasons for revisions
 - ISO and stakeholder sector leads gained extensive experience with the selection process over years
 - Determined that edits to stakeholder qualifications and groupings could provide for their proper fit in sectors
 - stakeholders mismatched in sectors
 - new stakeholder classifications
 - sector descriptions used outdated / vague terminology
 - Candidate qualifications were outdated or lacking based on current market and operations

Overview of Proposed Changes

- Proposed changes
 - Collectively with Sector Leads and the Board, we identified areas where policy could benefit from the following updates:
 - Updated introduction about ISO and the selection process under current grid operations and market
 - Candidate qualifications
 - Sector formulations and descriptions
 - Flexibility with the process when members and Governor are interested in reappointment

Overview of Proposed Changes

- Updated introduction
 - Describes ISO, the Board, and the selection process under current grid operations and market
 - Provides a document for new stakeholders to quickly understand the Board appointment and selection processes
 - Also clarifies Board Selection Policy goals
 - Statements cover:
 - ISO, its footprint and operations
 - Board make-up and appointment process
 - selection process - candidate vetting and ranking

Overview of Proposed Changes

- Candidate qualifications
 - Based on stakeholder input, we provide specific qualifications under general electrical industry experience
 - transmission grid security, and
 - grid operations
 - Adds other relevant experience in electricity and other related industries
 - Adds experience as legal professional, law professor and non-profit management to highlight valuable qualifications
 - Clarifies that qualifications are inclusive, rather than exclusive, of overall electric and related industry experience

Overview of Proposed Changes

- Sector formulations and descriptions
 - Original Classifications
 1. transmission owners (vertically integrated utilities and merchant transmission owners);
 2. end-users and retail energy providers (e.g., load-serving entities that do not own transmission or distribution assets);
 3. public interest groups (e.g., consumer advocates, environmental groups and citizen participation);
 4. alternative energy providers (e.g., distributed generation, demand response technologies, and renewable energy);
 5. transmission-dependent utilities; and
 6. generators and marketers.

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1. Participating Transmission Owners, as defined in Appendix A of the ISO Tariff (vertically integrated utilities and merchant transmission owners);
2. end-users within the ISO balancing authority area and retail energy providers (e.g., load-serving entities (including community choice aggregators and energy service providers) that do not own transmission or distribution assets and that serve customers within the ISO balancing authority area);
3. public interest groups (e.g., consumer advocates, environmental groups and citizen participation groups) that are actively involved in energy issues within the ISO balancing authority area-);
4. generators, marketers, and other alternative energy providers (e.g., sellers of power from distributed generation resources, demand response technologies, and energy storage resources-renewable energy) whose resources are located within the ISO balancing authority area and that engage in transactions for power within the ISO balancing authority area;

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5. publicly owned transmission-dependent utilities that are located within the ISO balancing authority area and that engage in transactions for power within the ISO balancing authority area; and
6. entities that are located outside the ISO balancing authority area that engage in transactions for power with the ISO balancing authority area generators and marketers.

Overview of Proposed Changes

- Sector formulations and descriptions
 - Other revisions
 - Clarifies how stakeholders in overlapping sectors must select one and stay
 - Provides flexibility on number of stakeholders in each sector to serve on Board Nominee Review Committee based on stakeholder interest and availability

Overview of Proposed Changes

- Flexibility with the process when members and Governor are interested in reappointment
 - Allows for ISO to adjust selection processes as needed when Board member reappointment is likely
 - Based on input by Governor's Office and Board Nominee Review Committee

Next steps

| Item | Date |
|-----------------------------------|------------------|
| Post Draft Board Selection Policy | May 27, 2020 |
| Stakeholder Conference Call | June 8, 2020 |
| Stakeholder Comments Due | June 22, 2020 |
| ISO Board of Governors Decision | July 22-23, 2020 |

Please submit written comment to initiativecomments@caiso.com.

Related materials are available on the ISO website at <http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>