

Draft Guidance Document for Handling Policy Initiatives within the Decisional Authority of the EIM Governing Body

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October 11, 2016

This presentation explains the draft guidance document in order to facilitate stakeholder feedback.

- October 4: Draft guidance document posted
- October 11: Present draft and answer questions
- October 18: Stakeholder comments due

- November 30: Present to EIM Governing Body for input
- December 14-15: Seek approval from Board of Governors

Roadmap for the presentation.

- Background about EIM Governing Body and its authority
- Purpose of the guidance document
- Review draft process
- Questions
- Next steps for stakeholders

Background about the EIM Governing Body and its Authority

The Board of Governors has delegated part of its authority over tariff filings to the EIM Governing Body

- EIM Transitional Committee
- Governance documents adopted December 2015
 - Corporate bylaw amendments
 - Charter for EIM Governance

The core rules about decisional authority are established in the corporate bylaws and Charter for EIM Governance.

- Primary authority of the EIM Governing Body
- EIM-specific rules
 - Would not exist but for the EIM
 - apply uniquely or differently
 - Generally, but not necessarily, rules in Section 29

The EIM Governing Body must approve any proposed amendments that fall within its primary authority.

- If approved, go on Board consent agenda
- Great deference expected

The EIM Governing Body has an advisory rule for general market rules that affect EIM.

- Generally applicable rules of real-time market or rules that apply to all markets
- No process specified in governing documents

In recognition that policy initiatives often change several tariff provisions, there are rules for “hybrid initiatives”

- Role depends on the primary driver of the initiative
 - Driver is EIM-specific, EIM Governing Body must approve full initiative
 - Driver is not EIM-specific, EIM Governing Body must approve EIM-specific elements
- In either case, Board which must approve the full initiative on the merits (not consent agenda)

The ultimate decision about application of these rules to a particular initiative belongs to the Board and the EIM Governing Body together.

- Staff will apply rules in the first instance
- Chairs of the EIM Governing Body and Board have a chance to object
- Dispute resolution process detailed in Charter
 - Public notice
 - Vote by a “committee of the whole”

The Purpose of the Guidance Document

The guidance document is meant to supply additional detail about the process, for the direction of ISO personnel.

- Sequence of events
- Opportunities for stakeholder input
- How does staff get input from the EIM Governing Body?

Process Steps

Each paper in policy initiative will explain the tentative decisional designation.

- Enable stakeholder comment on the tentative designation
- Note: tariff amendments developed confidentially (rare)

Management will provide quarterly updates to the EIM Governing Body about all initiatives coming for decision.

- Include description of each matter and tentative decisional designation
- EIM Governing Body decide in open session whether to offer advice
 - When schedule is compressed, Chair may decide
- Opportunity to ask about or discuss any tentative designation

A chart of all EIM-related initiatives will be available on the ISO website

Some initiatives might be “severed” for decisional purposes.

- When Management would file part of the initiative regardless whether the other part is approved as proposed
- Must be severed before presented for decision

After stakeholders comment on a draft final proposal, Management will reach an decision – the “initial” classification.

- Notify Chairs
 - Publicly available
 - Link to
 - draft final proposal
 - any comments on draft final proposal that disagree with proposed classification
- Deadline for Chairs to object to classification
 - At least a week under ordinary circumstances

If either Chair objects to the decisional classification, the Chairs should confer.

- Unless the Chairs agree on proper classification, the dispute resolution process is triggered
- Public notice with opportunity to comment
- Committee of the whole convened
 - Final resolution by vote of the combined members participating
 - Chair of Board breaks ties

Presentations to the EIM Governing Body:

- Decisional matters will be accompanied by a memo, like Board process
- Advisory matters will be presented based on draft final proposal
 - EIM Governing Body to decide on its advice
 - May designate member to present advice to the Board

Questions?

Next step for stakeholders: Comment due October 18.

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