

Memorandum

To: Energy Imbalance Market Governing Body

From: Roger E. Collanton, Vice President, General Counsel

Date: June 23, 2021

Re: **Decision on Implementing EIM Governance Review Committee Part One Proposal**

This memorandum requires EIM Governing Body action.

EXECUTIVE SUMMARY

On May 6, the EIM Governing Body and the Board of Governors jointly approved the “part one proposal” of the EIM Governance Review Committee, which recommends refinements to the ISO’s EIM governance. This memorandum proposes to implement these recommendations through specific changes to ISO governance documents, as detailed below. Management is seeking the EIM Governing Body’s advisory input regarding the proposed changes, which will then go to the Board for consideration. As required under the Charter for EIM Governance, if the EIM Governing Body recommends approval of the proposed changes to Sections 5 and 6 (as numbered in the currently effective Charter), regarding the Body of State Regulators and the Regional Issues Forum, those changes will be placed on the Board of Governors July 14-15, 2021, consent agenda. The Board of Governors would fully consider the remaining proposed changes.

Management proposes the following motion:

Moved, that the EIM Governing Body will provide [written/verbal] advisory input to the Board of Governors, supporting the proposed revisions to the Charter for EIM Governance and the Selection Policy for the EIM Governing Body, as discussed in and attached to the memorandum dated June 23, 2021.

RECOMMENDED CHANGES

The changes recommended in the EIM Governance Review Committee’s Part One Draft Final Proposal, as captured in a table on pages 25-27 of that proposal, require revisions to the Selection Policy for the EIM Governing Body and the Charter for EIM Governance. These revisions are reflected on the attached redline documents, as follows.

Selection Policy for the EIM Governing Body

- Change the role of the representative of the public interest and consumer advocate groups from advisory to a voting membership. (See proposed redline, Section 3.4, p.5.)
- Emphasize obtaining diverse perspectives through the selection process. (See proposed redline Section 3.4, pp. 5-6.) These redlines match those specified by the EIM Governance Review Committee in its Part One Draft Final Proposal, pp. 9-10.
- Authorize the Nominating Committee to recommend extending the term of a sitting member for up to 60 days after it would otherwise expire to avoid a vacancy if the Nominating Committee needs additional time. (See proposed redline Section 3.4, p. 6.)

In addition, Management is proposing cleanup changes to the Selection Policy, primarily on pages 2 and 4 of the redline.

Charter for EIM Governance

- At the request of the Nominating Committee, authorize the Governing Body to extend the term of a sitting member by up to 60 days after it would otherwise expire. (See proposed redline Section 1.3, page 2.)
- Provide for a further re-evaluation of EIM governance within five years. (See proposed redline Section 2.3, page 7.)
- Provide the EIM Governing Body with joint authority, together with the Board of Governors, to approve or reject prospective members of the Market Surveillance Committee. (See proposed redline Section 3.1, p. 7.)
- Include a member of the EIM Governing Body as a non-voting participant at the meetings of the DMM Oversight Committee, subject to confidentiality restrictions. (See proposed redline Section 3.2, p. 8.)
- Authorize the EIM Governing Body to retain a market expert that it can direct. The market expert's role should be consistent with the EIM Governing Body's mission, which is to promote the success of the EIM for the benefit of all market participants. (See proposed redline Section 3.3, p. 8.)
- Remove a limitation stating that the Regional Issues Forum should not address or offer opinions on issues that are part of an ongoing ISO stakeholder process. (See proposed redline of current Section 6.1.1, p. 9.)

- Adjust the definitions of the stakeholder sectors that select the liaisons who organize meetings of the Regional Issues Forum, and through those changes increase these total number of sector liaisons from ten to eleven. (See proposed redline of current Section 6.2, p. 10.)
- Specify that there will be a standing item on the agenda for EIM Governing Body meetings regarding activities of the Regional Issues Forum. (See proposed redline of creating new Section 7.3, p. 11.)

CONCLUSION

Management recommends that the EIM Governing Body provide advisory input to the Board of Governors recommending the proposed amendments to the Selection Policy for the EIM Governing Body and the Charter for EIM Governance.

Attachments

A – Proposed amendments to the Selection Policy for the EIM Governing Body

B – Proposed amendments to the Charter for EIM Governance

C – April 12, 2021 EIM Governance Review Part One Draft Final Proposal (as approved by the EIM Governing Body and Board of Governors on May 6, 2021)