

# Stakeholder Comments

## EIM Governance Review

Submitted by	Company	Date Submitted
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Northern California Power Agency (NCPA) appreciates the opportunity to provide the following comments in response to the EIM Governance Review Issue Paper and Straw Proposal dated December 14, 2018.

### Proposal to Revise Current Decisional Classification Rules

NCPA generally supports the ISO's proposal to amend the rules of decisional classification, so the primary authority of the EIM Governing Body would be expanded incrementally to include, in addition to market rules that apply uniquely or differently to EIM balancing authorities, proposed changes to generally applicable rules of the real-time market if the primary driver for the change is the EIM. Notwithstanding NCPA's general support of the proposed concept, NCPA strongly believes that the primary driver for each proposed enhancement to the real-time market must be thoroughly reviewed to determine what impact such change may have on all market participants. For example, if a request for an enhancement to the real-time market is requested by an EIM entity, the fact that a request was submitted by an EIM entity should not in itself be considered the primary driver and reasoning upon which primary authority is assigned to the EIM Governing Body. Regardless of whom may request a change to the real-time market, all impacts of such change must be carefully evaluated and considered.

### Potential Issues for the EIM Governance Review

In Section III of the CAISO issue paper and straw proposal, the ISO requests stakeholder comments in response to a number of questions raised. Please find NCPA's initial comments in response to such questions below.

#### **Category One: The Delegation of Authority to the EIM Governing Body, the Decisional Classification Process and the Documentation Establishing the Process**

CAISO Question:

“The Guidance Document does not currently include such a provision that expressly requires the initial advisory input of the EIM Governing Body for any changes. ISO management recommends a parallel provision be included in the Guidance Document that explicitly requires such EIM Governing Body advisory review.”

NCPA supports ISO’s recommendation to add a provision to the Guidance Document that explicitly requires the initial advisory input of the EIM Governing Body for any applicable change.

CAISO Questions:

“Moreover, should the EIM Governance Review consider any potential changes to these two documents that might render them more durable by making them more difficult to amend? For example, should changes to the Charter or the Guidance Document require approval by a supermajority of the Board, rather than a simple majority? Are there any other changes that should be considered with regards to the process used to revise these documents over time?”

NCPA has no comment at this time regarding this aspect of the proposal.

## **Category Two: The Process and Criteria for Selecting EIM Governing Body Members**

CAISO Question:

“In light of this experience to date, the ISO seeks comment on whether there are any aspects of the process that warrant reconsideration as part of the EIM Governance Review. Are there, for example, any aspects of the qualifications and criteria used to identify and evaluate potential candidates that should be considered for potential change? Comment is also sought on whether there is a need to revisit the number of Governing Body members, either at this time or in the near future. In addition, are there any adjustments to the nominating committee structure or related processes that should be considered?”

NCPA believes the current process and criteria for selecting EIM Governing Body members is working well, and therefore does not need to be revised at this time. Preference should be clear for Governing Body members that reside and hold experience in the western region.

CAISO Question:

“The ISO’s bylaws establish staggered three-year terms for each member of the EIM Governing Body, and the Charter provides that Governing Body members may serve a maximum of three terms. Should the EIM Governance Review consider any potential changes in this area?”

NCPA believes the current three-year staggered terms and term limits are appropriate.

CAISO Question:

“The process used to nominate members of the Board of Governors allows for such a holdover period of up to sixty days, after which the expiring seat becomes vacant until a replacement is appointed. There currently is no parallel provision in the EIM Governing Body Selection Policy. Should a similar provision be considered in connection with the EIM Governance Review?”

NCPA has no comment at this time regarding this aspect of the proposal, but does think that the participation by the CAISO Board in the nominating process should be reviewed and evaluated as to the potential for interference and adding political influence to an otherwise independent process.

### **Category Three: Stakeholder Engagement Process**

CAISO Question:

“A third category for potential consideration involves the efficacy of EIM Governing Body meetings and related stakeholder engagement processes. In particular, are there any changes that should be considered to the frequency, timing relative to the ISO Board meetings, location, or topics covered in the EIM Governing Body’s public meetings?”

NCPA recommends ISO’s continued support of the EIM Governing Body meeting and stakeholder engagement process. As the number of participants and size of the EIM market expands, NCPA would expect the ISO support resources would expand accordingly.

CAISO Question:

“Comments are also requested on the role and composition of the Regional Issues Forum and the Body of Regulators. Although those bodies administer their own rules and procedures, the Charter includes some general provisions regarding each of those bodies, including their membership, how they typically interact with the EIM Governing Body, and the support that ISO staff is expected to provide. Should any changes to these provisions be considered? In particular, should the membership of the BOSR or RIF be revisited? Are the presentations that are provided by the ISO at meetings of these bodies effective for providing the information members of these bodies need? Are there any additional matters relating to these bodies that should be considered in this review?”

NCPA has no comment at this time regarding this aspect of the proposal.

CAISO Question:

“Stakeholders are also asked to provide input on the optimal timing for this EIM Governance Review and the process that should be used for developing proposals on the issues that are covered.”

Regarding timing for further consideration of the various questions raised by the ISO herein, NCPA believes that the current EIM Governance process is working well; as such, NCPA suggests that many of the issues identified for discussion herein may be more appropriately addressed after further details regarding the potential of expanding the Day-Ahead Market are known. This will enable stakeholders to provide comments at such time that they are more informed regarding the extended function and impact of the EIM.

CAISO Question:

“The ISO also seeks comment on whether a stakeholder-based, working group structure should be used to develop any proposed changes for stakeholder input.”

NCPA believes that all stakeholders who may be impacted by a proposed change to market rules should be entitled to participate in the process used for evaluating the impact of such change.

