

Public Power Statement on the California ISO's Straw Proposal for an EIM Governance Review Committee & Draft Governance Review Committee Charter

April 29, 2019

The Publicly Owned Utilities (herein referred to as POU's or Public Power) in the West offer broad comments on the California ISO's *Straw Proposal for Formation of an EIM Governance Review Committee* (GRC Straw Proposal) and the associated Draft GRC Charter. Individual or other groups of POU's may also be submitting more detailed comments on the GRC Straw Proposal.

The POU's commented extensively on the 2016 iterations of CAISO's *Proposed Principles for Governance of a Regional ISO*, recommending a governance structure that ensures adequate stakeholder representation and participation in a Regional ISO, should one come to fruition.

Given the active participation of Public Power in past governance discussions, the POU's anticipate commenting on future proposals within the EIM Governance Review process, both individually and as a group. At this early stage of the process, these comments emphasize the importance of ensuring sufficient POU representation on the GRC.

The POU's recognize the significant strides that have been taken by the EIM Governing Body since the relatively recent formation of the EIM and wish to convey appreciation for the Governing Body, whose members have conducted outreach, promoted transparency and engaged in extensive dialogue with EIM stakeholders. Any outcome of the EIM governance review should continue and build on this positive relationship.

The structure of the GRC will be essential to a successful EIM governance review and should allow for adequate representation of all key stakeholders. In particular, a GRC that reflects the diversity of Western POU's would be highly beneficial to the governance review process and outcomes.

POU's in the Western Interconnection represent a significant share of the retail energy sales and number of end-use customers, equal to about one-quarter of each. Due to their business structure, many POU's own and operate their own generation and contribute to the grid balancing. These POU's are a diverse group, representing a range of sizes and geographic locations, including municipal utilities, joint action agencies, public utility districts, state and regional associations, and customers of the Power Marketing Administrations (PMAs). Together, they will remain the largest number of new EIM entrants for the foreseeable future. The establishment of the sectors for nominating members of the GRC, as outlined in the GRC Straw Proposal, and the final selection of GRC members should give strong consideration to this diversity and growth.

POU's do not, however, include the PMAs themselves. These are federal agencies established, governed and operated under federal statute with specific rights and responsibilities that are very distinct from those of POU's. Moreover, they are owners of significant transmission assets in the west and marketers of substantial amounts of federally generated hydropower. Thus, we urge

that the PMAs be afforded direct representation on the GRC, separate and apart from appropriate representation by the POUs.

Thank you for your consideration of these comments and the Public Power entities look forward to future engagement in the EIM governance discussions.