



West-Wide Governance Pathways Initiative

Mrs. Jan Schori
Chair of the CAISO Board of Governors

Mr. Robert Kondziolka
Chair of the Western Energy Markets Governing Body

Dear Chairs Schori and Kondziolka,

As voting and non-voting members of the Launch Committee of the West-Wide Governance Pathways Initiative (Pathways Initiative), we are proud to recommend adoption of the Pathways Initiative Phase 1 Straw Proposal.

When regulators from Arizona, California, New Mexico, Oregon, and Washington sent the letter that resulted in the Pathways Initiative, they laid out a vision for the creation of a new entity with an independent governance structure capable of overseeing an expansive suite of West-wide wholesale electricity markets and related functions, up to and including a full regional transmission organization. Further, this entity would minimize duplication and incurrence of costs and both preserve and build upon existing California Independent System Operator (CAISO) market structures.

As a result of many hours of hard work and dedication from the Launch Committee members and many additional stakeholders through May of this year, the Launch Committee proposed Step 1 to the CAISO Board of Governors and the Western Energy Markets Governing Body. We were so pleased that you chose to take up this proposal utilizing your own broad-based stakeholder process.

This proposal not only takes a significant step toward achieving a more independent governance structure for the Extended Day Ahead Market (EDAM) and the Western Energy Imbalance Market (WEIM), but it also represents consensus work by a broad and diverse set of stakeholders across the region. The effort builds on the previous work of the WEIM Governance Review Committee and represents a commitment by stakeholders in the West to the regulators' Pathways Initiative vision for an independently governed entity that serves the largest footprint possible, including California.

The CAISO staff completed a robust, open stakeholder process, ensuring that diverse perspectives were considered, including market participants, regulators, public interest organizations, and others. We observe that the final proposal CAISO staff has offered you aligns with significant progress toward the Launch Committee's goal to create an independent governance framework that is centered on the public interest while preserving



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California's oversight of the CAISO balancing authority. Overall, the final proposal you are considering promotes the reliability and economic efficiency of the Western power grid.

We believe that the proposed governance framework will facilitate the expansion of the EDAM and the continued success of the WEIM, ensuring they remain vital components of the Western electricity market. The final proposal also aims to support CAISO's mission of providing reliable, cost-effective energy services while fostering a competitive and sustainable market environment.

We look forward to engaging with you and other stakeholders in the implementation of this proposal and encourage you to adopt it at your upcoming August 13 meeting.

Thank you for your consideration.

Sincerely,

CA Investor-Owned Utility Transmission Owners:

Scott Ranzal, Pacific Gas and Electric
Jeff Nelson, Southern California Edison

EIM Entities:

David Rubin, NV Energy
Kerstin Rock, PacifiCorp
Pam Sporborg, Portland General Electric

Public Power and Coops:

Josh Walter, Seattle City Light
Connor Reiten, PNGC Power
Jim Shetler, Balancing Authority of Northern California
Randy Howard, Northern California Power Agency
Jon Olson, SMUD

Independent Power Producers and their Trade Associations:

Scott Miller, Western Power Trading Forum
Jan Smutny-Jones, Independent Energy Producers Association
Lisa Tormoen Hickey, Interwest Energy Alliance
Spencer Gray, NIPPC

Residential and Small Commercial Customers:

Michele Beck, Utah Office of Consumer Services
Linda Serizawa, California Public Advocates Office

Large Commercial & Industrial Customers and their Trade Associations:

Kathleen Staks, Western Freedom
Heidi Ratz, Clean Energy Buyers Alliance



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Technology Providers and their Trade Associations:

Brian Turner, Advanced Energy United

Non-utility Load Serving Entities and their Trade Associations:

Evelyn Kahl, California Community Choice Association

Labor:

Marc Joseph, Coalition of California Utility Employees and the State Association of Electrical Workers

Public Interest Organizations:

Michael Colvin, Environmental Defense Fund

Alaine Ginocchio, representing Western Resource Advocates

Ben Otto, NW Energy Coalition

Mark Specht, Union of Concerned Scientists

States/Provinces:

Commissioner Milt Doumit, Washington Utilities and Transportation Commission

Commissioner Kevin Thompson, Arizona Corporation Commission

President Alice Reynolds, California Public Utilities Commission

Commissioner Letha Tawney, Oregon Public Utilities Commission

Vice Chair Siva Gunda, California Energy Commission

Commissioner Pat O'Connell, New Mexico Public Regulatory Commission

Power Marketing Administrations:

Chrystal Dean, Western Area Power Administration

