

# Issues in EIM Governance

## Regional Issues Forum

Albuquerque – March 11, 2019

*Presentation of Ron Binz*

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# **Considerations in Establishing a Western Regional System Operator**

Prepared for the Hewlett Foundation  
April 2016

By Ronald J. Binz

ISO/RTO	Governing Entity	Composition	Board Member Selection
CAISO	Board of Governors	5 members	Nominated by Governor of California and confirmed by state senate.
ISO-NE	Board of Directors	9 independent directors plus president/CEO (non-voting.)	Slate nominated by a committee of NEPOOL and NECPUC. Final vote by board.
MISO	Board of Directors	9 independent directors plus president/CEO (non-voting.)	Identified by Nominating Committee, selected by board, and voted on by Members.
NYISO	Board of Directors	10 directors including president/CEO.	Identified by Stakeholder Management Committee, nominated by Governance Committee, and elected by board.
PJM	Board of Managers	9 voting managers plus PJM president (non-voting.)	Selected by Nominating Committee and elected by Members Committee.
SPP	Board of Directors	9 independent members plus the SPP president (non-voting on most matters).	Candidates nominated by Governance Committee and elected by members.

ISO/RTO	Governing Entity	Composition	Board Member Selection
ISO-NE	Board of Directors	9 independent directors plus president/CEO (non-voting.)	<u>Slate nominated by a committee of NEPOOL and NECPUC. Final vote by board.</u>
MISO	Board of Directors	9 independent directors plus president/CEO (non-voting.)	<u>Identified by Nominating Committee, selected by board, and voted on by Members.</u>
SPP	Board of Directors	9 independent members plus the SPP president (non-voting on most matters).	<u>Candidates nominated by Governance Committee and elected by members.</u>

ISO/RTO	Senior Stakeholder Entity	Size	Stakeholder Categories
ISO-NE	Participants Committee	431 (253 voting, 178 non-voting.)	<ol style="list-style-type: none"> <li>1. Generation</li> <li>2. Transmission</li> <li>3. Suppliers</li> <li>4. Publicly Owned Entities</li> <li>5. Alternative Resources Sector</li> <li>6. End User Sector</li> </ol>
MISO	Advisory Committee	25	<ol style="list-style-type: none"> <li>1. State Regulatory Authorities</li> <li>2. IPPs/ Exempt Wholesale Generators</li> <li>3. Transmission Owners</li> <li>4. Transmission-Dependent Utilities</li> <li>5. Power Marketers</li> <li>6. Public Consumer Advocates</li> <li>7. Environmental/ Other Stakeholder Groups</li> <li>8. Eligible End-Use Customers</li> <li>9. Coordinating Members</li> <li>10. Competitive Transmission Developers</li> </ol>
SPP	Members Committee	20	<ol style="list-style-type: none"> <li>1. Investor-Owned Utilities</li> <li>2. Co-ops</li> <li>3. Municipals</li> <li>4. Independent Power Producers/ Marketers</li> <li>5. State/ Federal Power Agencies</li> <li>6. Alternative Power/ Public Interest</li> <li>7. Large/ Small Retail</li> </ol>

# Profiles

- MISO

- Board members elected by members.
- Smaller (25) senior stakeholder group (“Advisory Committee”)
- Advisory Committee chartered to advise Board.
- Regulators serve on Advisory Committee (4 of 25)
- Organization of MISO States (OMS) (regulators)
- 2019 OMS budget: \$1.54 million; 3.5 FTE
- OMS has certain Section 205 authority

# Profiles

- SPP

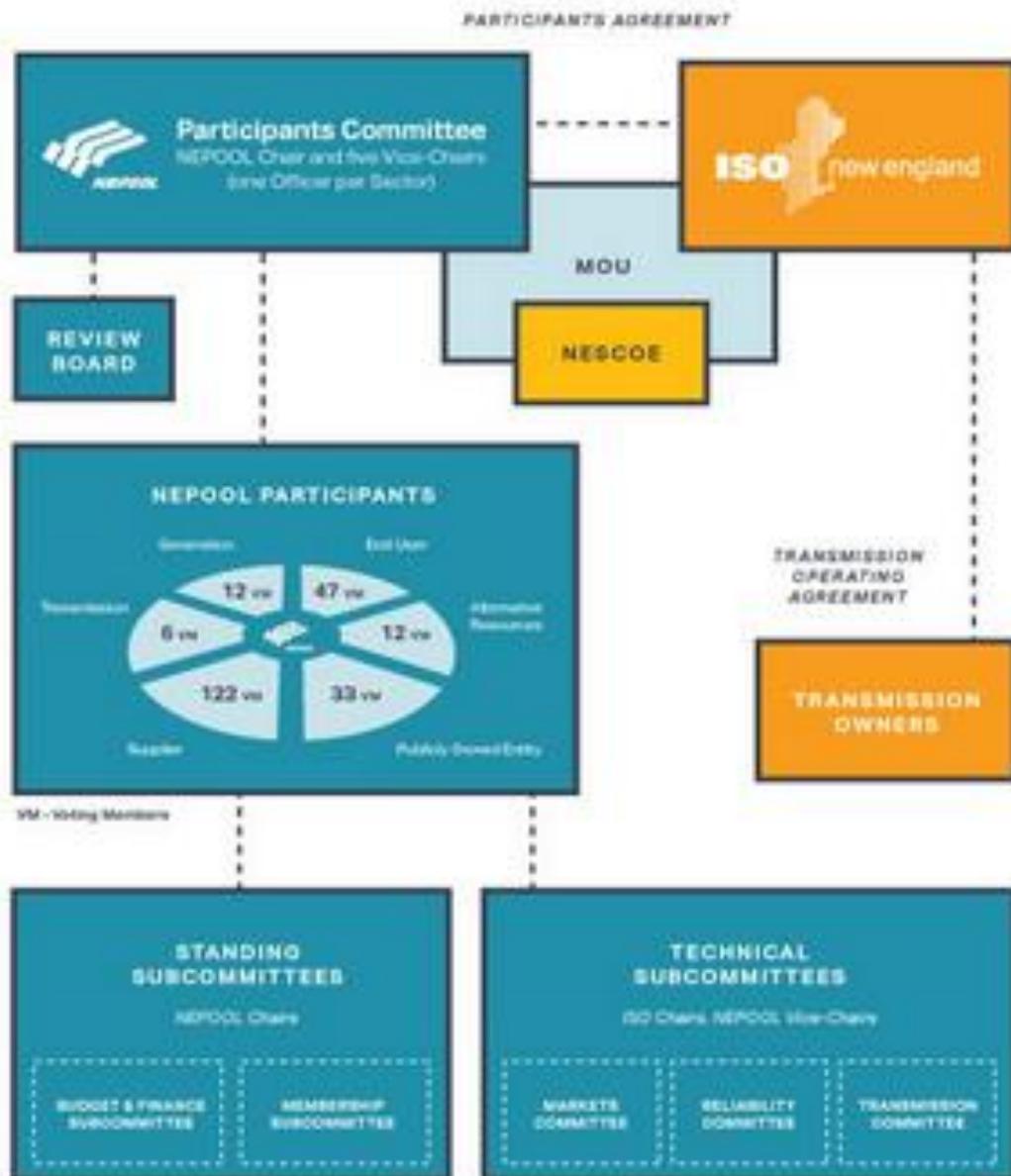
- Board members elected by members.
- Smaller (20) senior stakeholder group (“Members Committee”).
- Members Committee sits at Board Meeting; non-binding votes.
- No regulators on Members Committee.
- Regional State Committee (SPP RSC) advises Board; “provides collective state regulatory agency input.”
- SPP makes certain Section 205 filings at the direction of the RSC
- 2019 SPP budget for RSC: \$0.40 million.

# Profiles

- ISO-NE

- Board members nominated by NECPUC/NEPOOL; elected by Board.
- Large (431) senior stakeholder group (“Participants Committee”).
- Predecessor organization NEPOOL is essentially the Participants Committee.
- Liaison group is Participants Committee’s interface with Board.
- NECPUC (regional NARUC) organizes regulators and advises Board.
- ISO-NE funds New England States Committee on Electricity (NESCOE).
- 2019 NESCOE Budget: \$2.35 million (proposed).

# NEPOOL Stakeholder Process



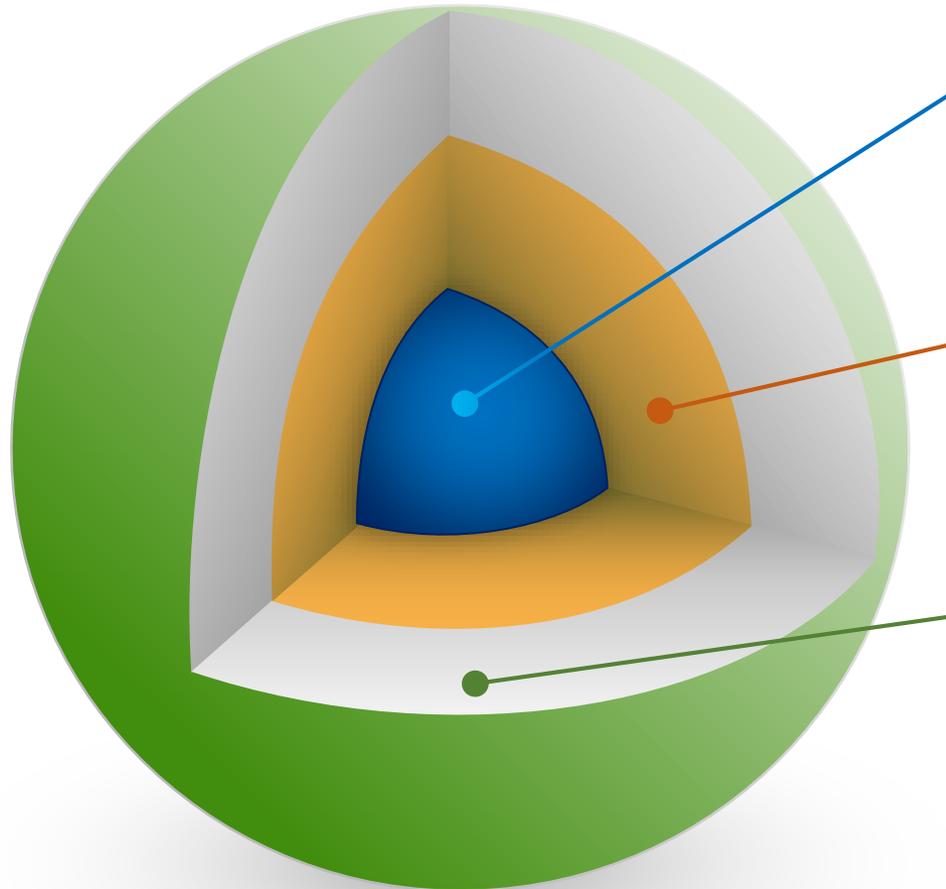
# Stakeholder Engagement and Impediments

- Structural Impediments
  - Board/Advisory structures.
- Cultural Impediments
  - Lots of navel gazing.
  - Self-selecting committees.
- Natural Impediments

## **Allocating congestion rents from the net export constraints on EIM BAAs**

When the proposed net export constraint triggered by mitigation is enforced and binding, the ISO proposes to allocate 100% of the constraint's congestion rents to that BAA. The ISO's rationale for this provision is that this will allocate the congestion rents on this net export constraint in the same way that the ISO allocates congestion rents for net export constraints triggered by an EIM BAA's failure of a flexible ramping sufficiency test.

# EIM Stakeholder Engagement



## **Hardcore Insiders**

*ISO Officers and Staff  
Some Employees of Market Participants  
Technical Committees  
Steve Beuning; Travis Kavulla; Bill Hogan*

## **Players**

*Board of Governors  
Most market participants  
A few regulators  
A few energy advocates*

## **Near Players**

*A few more regulators  
A couple legislators  
Some governors' offices  
Some energy advocates*

## **Rest of the Energy World**

*Most regulators  
Most governors  
Most legislators  
Many energy advocates  
Consumer advocates  
Customers (aka End Users)*