

WESTERN ENERGY IMBALANCE MARKET

Discussion of Governance Review Committee Part One Draft Final Proposal Issues and Next Steps

EIM Governance Review Committee
General Session
April 26, 2021



Agenda

- Decision on March 30, 2021 general session minutes
- GRC purpose and background
- Overview of Part One Draft Final Proposal and Public Comment/Discussion of Proposal
- GRC Vote on Part One Draft Final Proposal
- Discussion of proposed path forward on remaining topics
- Public comment, questions and next steps

Summary of key GRC milestones

- January 2020: Scoping Paper
 - Comments and Stakeholder workshop
- July 2020: Straw Proposal
 - Comments and Stakeholder Workshop
- December 2020: Revised Straw Proposal
 - Comments
- April 2021: Part One Draft Final Proposal
 - Vote on whether to submit to the Board and Governing Body

The GRC is proposing a phased approach for the draft final proposal on EIM governance.

- Draft Final Proposal Part 1:
 - Proposal addresses all topics in the EIM Governance Review except delegation of authority topics
 - GRC aims to submit proposal to the Board and Governing Body for their consideration in May
- Draft Final Proposal Part 2:
 - Continue discussions with stakeholders to finalize recommendations on delegation of authority topics
 - GRC will complete the proposal as soon as practical, aiming for June

Many issues are addressed by the GRC in the Part One Draft Final Proposal.

- Selection of Governing Body Members
- Governing Body Meetings and Engagement with Stakeholders
- Annual Policy Initiative Roadmap
- Department of Market Monitoring, Market Surveillance Committee, Governing Body Market Expert
- Funding Technical Assistance for Body of State Regulators
- Governing Body Mission Statement
- Timing issues

The Part One Draft Final Proposal recommends modifying the current RIF rather than creating a formal stakeholder or member committee.

- Expand topics they may address by removing limitation on RIF engagement on issues that are in active stakeholder processes
- Maintain independence in developing its own rules and procedures
- Revise the current sectors and add one liaison for the Federal power marketing administrations

The Part One Draft Final Proposal supports an increased EIM GB role in market monitoring and the retention of an additional market expert.

- Advisory (non-voting) role on DMM Oversight Committee
- Joint authority with Board on MSC member approval
- Governing Body should retain a “Governing Body Market Expert”
 - Selection and retention left to Governing Body’s discretion
 - Costs recovered from all market participants
 - Not tied to EDAM
 - Not involved in market monitoring

The Part One Draft Final Proposal also makes several other recommendations on a range of topics.

- No changes to the policy initiatives roadmap process or the Governing Body mission statement
- Recommends some changes to the Nominating Committee and selection criteria:
 - PIO/CA sector rep becomes a voting member
 - Diversity criteria
- Supports non-voting liaisons to the BOSR from Consumer Owned Utilities/PMAAs
- Assessment if additional governance changes needed prior to final approval of EDAM market design by GRC
- Re-evaluation after 5 years

Approval process

- GRC is holding this general session to take public comment and then vote on whether to approve proposal and submit to Board and EIM Governing Body
- If GRC approves proposal, it goes to Board and EIM Governing Body for their consideration
- If both bodies approve the proposal, it is adopted
- If adopted, CAISO staff prepares revisions to the governance documents (e.g. EIM charter) that are subject to the EIM Governing Body's advisory input and Board approval

PUBLIC COMMENT AND GRC DELIBERATION AND DECISION: PART ONE DRAFT FINAL PROPOSAL

Delegation of Authority Topics

- Delegation of Authority
- Scope of Joint Authority
- Process for resolving potential deadlocks
- Decisional classification dispute resolution
- Durability of Delegation of Authority

Delegation of Authority Outreach

- GRC is interested in hearing from stakeholders about the possibility for other ways to address deadlocks on approval of matters within joint authority.
- GRC is interested in hearing from stakeholders about key principles and specific areas for joint authority.
- GRC will continue to evaluate the other topics but have prioritized these topics for additional stakeholder input

The GRC has a proposed calendar for development and approval of a part two draft final proposal on the delegation of authority issues.

April

- Sub-team reviews issue summary, proposed options, and meets with key parties
- General session meeting held to frame the process for a part two draft final proposal

May

- Sub-team continues discussions with key parties on proposed options
- Stakeholder workshop to discuss issues
- Stakeholder comment on workshop discussion

June

- Draft Final Proposal Part Two is published

Helpful links

EIM Governance Review Committee information

<https://www.westerneim.com/Pages/Governance/GovernanceReviewCommittee.aspx>

EIM Governance Review Initiative webpage

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Western-EIM-governance-review>

Western EIM Governance Review Committee Part One Draft Final Proposal

http://www.caiso.com/InitiativeDocuments/PartOneDraftFinalProposal_EIMGovernanceReview.pdf