

Public Power Comments on the EIM Governance Review Committee Scoping Paper

February 21, 2020

The Public Power Utilities¹ (herein referred to as Public Power) strongly supported the formation of the EIM Governance Review Committee (GRC), and greatly appreciate the issuance of the GRC's January 29 Scoping Paper and request for input from stakeholders.

Public Power is significantly represented in the Western Interconnection, serving about one-fourth of the load and customers, and about 30 percent of both when the electric cooperatives are included. Moreover, almost half of the current and pending EIM participants are Public Power.

These comments provide recommendations on two of the issues raised in the Scoping Paper under Issue 3 (Governing Body Meetings and Engagement with Stakeholders). Public Power makes these recommendations for the Energy Imbalance Market (EIM) regardless of whether the Extended Day-Ahead Market (EDAM) initiative is implemented.

Should there be a Stakeholder Advisory Committee?

Public Power strongly supports the formation of a Stakeholder Advisory Committee (SAC) that would consist of a diverse array of market participants, including investor-owned utilities, municipal utilities and joint action agencies, cooperatives, independent power producers, state power agencies, Federal Power Marketing Administrations, renewable power producers, and large and small end-use consumers. Consideration should also be given to the participation of public interest entities.

Unlike RTOs and ISOs outside of the CAISO, there currently is no avenue outside of the Regional Issues Forum (RIF) for market participants and stakeholders to work together and formally communicate their interests directly to the EIM Governing Body or CAISO Board of Governors. A SAC would build upon the success of the RIF to fill that role.

The SAC would not have decisional authority but would be a formal advisory channel to provide opinions and recommendations to the Board and Governing Body on behalf of the market participants and other stakeholders in a public forum, including issues being addressed under the CAISO policy initiative process. Meetings of the SAC would be open to the public, thus helping to ensure both transparency and accountability of the EIM Governing Body and CAISO Board of Governor stakeholder decisionmaking process.

One benefit of a SAC is that it would incent stakeholders to work among themselves to understand the issues, synthesize multiple interests, consider alternative options and reach a consensus position. As a result, the SAC would reduce the chances that the EIM Governing Body or CAISO Board of Governors will formally consider a matter that does not have broad

¹ These comments were drafted by a broadly representative group of Western Public Power utilities.

stakeholder support.

Public Power is not recommending a specific voting or other mechanism for reaching agreement on the SAC, but instead recommends that the GRC examine other RTO/ISO standing committee policies.

Because there is currently a RIF in place, the development of a SAC would not need to involve the formation of a new committee, but rather an evolution of the RIF such that it has a more formalized process for the development and communication of specific positions to the relevant governing bodies.

Should There be Formal Representation of Public Power and the Federal Public Marketing Administrations to the Governing Body?

Ideally, Public Power would participate along with the state regulators on the Body of State Regulators (BOSR). The rationale for such inclusion is that Public Power are not just market participants, but also regulators on behalf of their customers. If it is not feasible to include Public Power on the BOSR, then Public Power advocates strongly that the GRC should develop options for alternative and analogous structures for Public Power and the Power Marketing Administrations (PMAs). This possible Public Power/PMA body would serve an advisory function, similar to the role of the BOSR.

Representation on either the BOSR or the separate Public Power/PMA body should be structured to provide for broad geographic diversity, entity diversity, and other factors to ensure an effective voice for Public Power.

Public Power appreciates the opportunity to submit these comments on the Scoping Paper and looks forward to future engagement on governance discussions.