

Comments from Spencer Gray, Executive Director, Northwest & Intermountain Power Producers Coalition (NIPPC)

I offer these limited initial comments in my capacity as an Alternate for IPPs/Marketers on the Pathways Launch Committee and a member of the Pathways Stakeholder Process Workgroup, with respect to how the Regional Issues Forum (RIF) Enhancement proposals relate to the Pathways recommendations and their implementation. Individual members of NIPPC participate in the RIF and have a variety of views on the best ways to structure the RIF and will opine in their own organizational capacities.

In general, the Discussion Paper aligns well with the Pathways recommendations and overall vision of stakeholder reform, including in how to reform the RIF prior to formal establishment of the Regional Organization (RO) and the Stakeholder Representatives Committee (SRC) that the RIF would transition into.

The RIF liaisons have done an admirable job in the discussion paper of identifying and communicating the range of interim issues to decide about stakeholder reforms.

The criteria listed for evaluating changes are sound, but I note some tension the closer the RIF gets to the SRC model between, on the one hand, “minimal or no additional support from the CAISO staff” and “plac[ing] limited additional workload on RIF liaisons,” and, on the other hand, the consistently more intensive stakeholder process the SRC is likely to involve (e.g., problem statement origination, sector sponsorship, sector management, preparation to adopt voting positions prior to voting). Setting and holding to manageable expectations for the workload required for RIF/SRC leadership and participation is important, but I would anticipate a somewhat higher workload than at present for most stakeholders once the SRC is up and running.

(Questions 3-4) The addition of the two proposed new SRC sectors (large customers and distributed energy resources) to the RIF is a good idea. More generally, sector establishment and number of SRC seats have the potential to be contentious issues over time. Since voting will be only indicative, this may reduce the level of contention to some degree. But the RIF liaisons might consider the wisdom of recommending a planned cadence of reviews of sector make-up and representation (for example, a planned discussion and comment period approximately every two to three years), in order to provide a more structured way to have a dialogue and keep the RIF/SRC adaptable as market participation evolves. An obvious place where this need will arise is if most or all EIM Entities become EDAM Entities, then the need for separate sectors or for the particular number of SRC seats proposed by the Pathways Launch Committee may change.

I agree with the discussion paper that there is no need to match sector seats on the RIF now with the Pathways recommendation for eventual SRC sector seats. Furthermore, while a potential “remand” mechanism remains under discussion in the Pathways initiative, it may be worth underscoring that the number of proposed seats on the SRC per sector does not equate

to the relative indicative voting power (such as it is) for each sector as a whole. Rather, it is probably best understood as a rough reflection of the size, market impact, and internal diversity of a given sector. This important point may be obscured as stakeholders consider the Pathways-related reforms.

(Questions 8-9) Providing opportunities for joint sector sponsorships of initiatives is a good solution to the potential problem of an individual company or sector being inordinately focused on a particular outcome. Joint sponsorships would help counterweight that possibility. The process should leave room for the organizational liaison acting as the direct sponsor/facilitator to also be a subject-matter expert with an informed view about potential solutions to a policy problem, rather than purely a disinterested facilitator, but these roles do require a deftness that the RIF/SRC and CAISO/RO can encourage and, to some degree, illustrate or teach. Similarly, in the future, the RIF/SRC and CAISO/RO may want to develop materials and a brief training to help stakeholders participate in a collaborative mode that balances their organizational positions with the broader responsibilities of being a sector representative.

(Question 10) With respect to starting a voting process prior to the formation of the SRC, it would be worthwhile to begin more frequent indicative voting that can inform CAISO staff, Board, and WEM Governing Body decisions in the interim, as well as to habituate stakeholders to this input mechanism, without necessarily matching the final approach the SRC will use. A basic registration process for stakeholders would strengthen the ability to summarize and cross-tabulate the results of such “dry runs” of indicative voting (e.g., to have participants indicate the sector they belong to and other characteristics that may be informative—the Launch Committee considered examples from PJM of such voting cross-tabulations that were useful data illustrations).

The proposal to use a support/oppose/neutral indicative voting approach for stakeholders is simple and sound. The RIF and CAISO may want to retain some flexibility to sometimes move beyond that three-choice option in order to solicit degrees of support, depending on the proposal up for a vote (e.g., a scale of 1 to 5, with respect to topics like the proposed Catalog/Roadmap). Sometimes a wider range of voting answers can generate a better sense of mild versus strong support or opposition (or lack of opposition).

(Question 12) If the RIF maintains a role in providing broader educational content to stakeholders, versus producing substantive perspectives and input to the CAISO, it may be wise to bifurcate those two roles in terms of the time commitment by stakeholders (e.g., a first half-day of a RIF meeting devoted more to broad educational content, which may be most useful to newcomers to the markets, followed by substantive sessions of problem-identification, problem-solving, and indicative voting (when triggered)).