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May 15, 2025

Western Energy Markets
Regional Issues Forum

RE: Regional Issues Forum Enhancement Project Discussion Paper

Introduction

TransAlta Energy Marketing (U.S.) Inc. (TEMUS) appreciates the opportunity to submit comments in response to PacifiCorp's (PAC) initial draft revisions released on March 24, 2025 of its Business Practices (BP) to integrate the Extended Day-ahead Market (EDAM) design.

TransAlta owns and operates generation in Washington and transacts physical and financial wholesale power across multiple markets including AESO, CAISO, Mid-C, DSW, SPP, PJM, MISO, ISO-NE, ERCOT, and NYISO, as well as trading in environmental markets across Canada and the US. TEMUS utilizes transmission across the western U.S., including PAC, to execute bilateral transactions.

Comments

SRC Transition Approach and Process

1. Please state your organization's support for the proposal to transition the RIF into the SRC:
 - Support
 - **Support with caveats**
 - Oppose
 - Oppose with caveats
 - Neutral

TEMUS supports the transition with caveats, recommending that the sector composition be revisited (see answer to Question #2 below).

2. Please comment on the proposal for the RIF to transition into the SRC under the Pathways Step 2 Final Proposal.

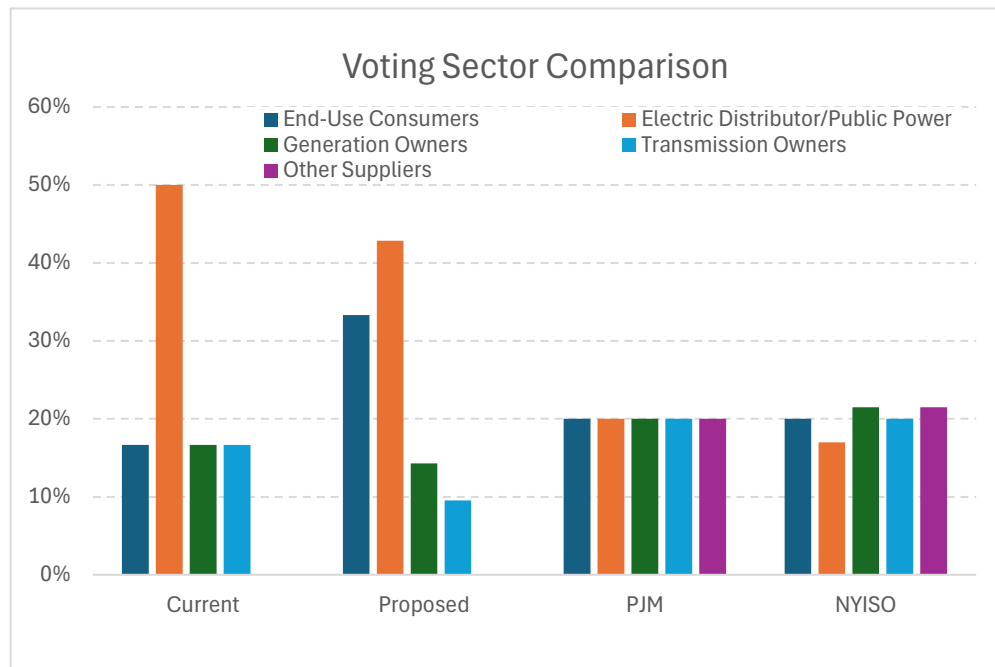
TEMUS recommends that the sectors proposed under the Step 2 Final Proposal be reconsidered:

- There is redundancy between the EDAM and the WEIM sectors, resulting in overweighting over time;
- The addition of 4 seats for Public Interest Organizations and Consumer Advocates overweights the End-use Consumer sector in the proposed structure.
- The increase in the number of sectors may just increase “noise” in determining final decisions and instead a dedicated seat within a sector may be preferable;
- The proposed sectors dilute the influence of IPPs and marketers;
- There are twice as many sectors as compared to other governance structures;¹
- The Electric Distributor sector has double the seats of the remaining sectors in the current structure and with End-use Consumers 70% of the seats in the proposed structure.

As compared to PJM and NYISO, the voting structure of the RIF/SRC appears to be very unequal:

Sector	Type	Current		Proposed	
		Seats	Weight	Seats	Weight
Consumer-Owned Utilities located within an EIM BAA	Electric Distributor/Public Power	2	17%	4	19%
EDAM Entities	Electric Distributor/Public Power	1	8%	2	10%
EIM Entities	Electric Distributor/Public Power	2	17%	3	14%
Federal Power Marketing Administration	Electric Distributor/Public Power	1	8%	0	0%
Independent Power Producers and Marketers	Generation Owners	2	17%	3	14%
ISO Participating Transmission Owners	Transmission Owners	2	17%	2	10%
Public Interest Groups and Consumer Advocates	End-Use Consumers	2	17%	4	19%
Large C&I Customers	End-Use Consumers	0	0%	2	10%
DERs	End-Use Consumers	0	0%	1	5%
Total		12		21	

¹ See [Blumsack-CEIC-04012020](#)



Process and Timing for Potential Revisions to Sectors

3. Please state your organization's support for the proposal to establish and reorganize the sectors of the RIF on a transitional basis to align with the sectors of the SRC:

- Support
- **Support with caveats**
- Oppose
- Oppose with caveats
- Neutral

TEMUS supports the transition of the RIF but recommends that the sector composition be revisited before the transition.

4. Please comment on the Paper's discussion of transitioning the current sectors of the RIF to the sectors of the SRC. What process and timing issues relating to changes in the sectors, including for the establishment of new sectors, does your organization believe should be addressed by the RIF?

TEMUS recommends that the RIF investigates different sector weighting to achieve equity in influence and efficiency in decision-making processes.²

5. Should the RIF implement sector changes on a transitional basis to accommodate the timing needs for the RO Board Nominating Committee under the Step 2 Final Proposal?

TEMUS recommends that the RIF investigate a more optimal sector composition and weighting in preparation for the transition. In addition, TEMUS recommends that the RIF explore the impact(s) of membership requirements in order to participate and/or vote in the governance process.

Role of the RIF and Potential Changes to align with the Stakeholder Representatives Committee

Role in Policy Initiative Identification and Prioritization (Catalog/Roadmap Processes)

6. Please comment on the role of the RIF within the CAISO's Annual Policy Initiatives Catalog and Roadmap Process. Although the role of the RIF within the current process is similar to the envisioned role for the SRC within the RO policy initiative prioritization process, are there additional functions that the RIF should be performing as a part of the Catalog and Roadmap Process?

While TEMUS acknowledges that CAISO's "Annual" Policy Initiative Process is new and has only completed one cycle, it is not clear that the RIF has any influence on the CAISO's decision-making process regarding which initiatives to pursue. Further, the CAISO's response as to the reasons for not pursuing initiatives recommended by the RIF are vague and unsatisfactory. Rather than channeling stakeholder interests, it appears that the CAISO views the RIF as just one more stakeholder voice in a mélange of voices.

² For example, see "Participatory democracy in dynamic contexts: A review of regional transmission organization governance in the United States" by Stephanie Lenhart and Dalton Fox and "Voting Behavior in PJM Regional Transmission Organization" by Kyungjin Yoo.

7. Should the RIF encourage the CAISO to administer a process whereby stakeholder statements of position or advisory votes (akin to the voting process contemplated for in the Step 2 Final Proposal) are solicited on the final Catalog/Roadmap documents?

Whether the CAISO pursues an initiative put forward by stakeholders is arbitrary. It would be preferable if the CAISO's policy work reflected the needs of its stakeholders, rather than the reverse. However, any voting process will be indicative only, and therefore it is unlikely that the Roadmap is reflective of stakeholder concerns until the CAISO is bound by stakeholder decision-making processes. Currently the influence of any one stakeholder or group of stakeholders is directly related to the time and resources a company is able to dedicate to an initiative and to involvement with CAISO staff.

Role in Stakeholder Initiative Phase (Stage 1 Issue Evaluation/Problem Statement and Stage 2 Policy Development)

8. Please state your organization's support for the proposal to establish the role of sector sponsors within the stakeholder initiative process:

- Support
- **Support with caveats**
- Oppose
- Oppose with caveats
- Neutral

TEMUS supports this proposal with caveats (see our answer to Question #9 below).

9. Please specify any considerations that you believe are relevant to establishing the role of the sector sponsor. Do you agree with how this role has been defined as set forth above?

TEMUS views this proposal as similar to Committee Chairs in other RTOs. From TEMUS' experience in these RTOs, these roles require a non-trivial amount of work that is outside of the scope of the member company role and responsibilities. It is difficult for smaller companies or companies with smaller portfolios in that RTOs to release their Subject Matter Experts to this work, even for a defined term. Further, it would be difficult to present the value proposition of taking on the duties of Sector Sponsor to one's Executive if the role does not directly influence decision-making.

10. Would your organization support the start of indicative voting during CAISO stakeholder processes? At what points during the process should votes be cast, i.e., problem statement development, straw proposal, final proposal, etc.?

TEMUS questions the value of indicative voting unless voting is restricted to companies doing business in CAISO (i.e., CAISO membership) and each company is restricted to one vote (i.e., voting only occurs within the sectors and then the sectors vote into a senior committee so that companies cannot vote within the RIF and then again outside the RIF).

Function and Purpose of the RIF

11. Does your organization support the RIF exercising a more active role in advising the WEM Governing Body and/or CAISO regarding the positions of stakeholders on initiative topics in a stakeholder process or that are before the Governing Body? Are there procedures that your organization believes the RIF should follow in carrying out this function?

See TEMUS' comments above.

12. Do you support the RIF taking steps to move away from providing information or educational content during its meetings? Should the RIF move its focus to discussion of issues that are actively pending in stakeholder processes?

TEMUS believes that the informational or educational role of the RIF is most useful for helping members gain understanding of new processes (i.e., how tagging practices will change with the implementation of the EDAM). TEMUS believes that the RIF will continue to have limited influence on the decision-making processes of the CAISO until stakeholders are required to vote through their respective RIF sectors and RIF decisions are binding on the CAISO/WEM Governing Body.

13. Please provide input on any other specific proposals that the RIF should consider to support and facilitate stakeholder involvement in the initiative process.

The CAISO's current initiative structure currently may fragment an issue into many related but separate initiatives. This structure makes it difficult for stakeholders, especially smaller companies, to devote the time and resources to not only participate but also just follow the initiative development. It would be helpful if the RIF could pull together the disparate initiatives together to create the "big picture" for members (i.e., how does the EDAM GHG

coordination, congestion allocation, and BAA participation rules initiatives interact to impact bilateral trading as it is done today?)

Other comments

14. Please provide comments regarding the process and timeline for the RIF Enhancements project.

The RIF transition to the SRC appears to be, like much of EDAM, a race to implement the EDAM before Markets+ and therefore is rushed and less thoughtful than the implementation of the EIM.

15. Please provide comments regarding any other aspect of the RIF Enhancements project.

TEMUS recommends that the RIF incorporates some trigger and mechanism to adjust the sector composition to reflect significant changes in the industry and/or membership.

TEMUS thanks the RIF for this opportunity to provide feedback.

Yours truly,

TransAlta Energy Marketing (U.S.) Inc.

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