

**Comments on Behalf of the Western Energy Markets Regional Issues Forum on the
West-Wide Governance Pathways Initiative Step 1 Recommendation
August 6, 2024**

The Western Energy Markets (“WEM”) Regional Issues Forum (“RIF”) liaisons, on behalf of the RIF,¹ hereby provide comments on the West-Wide Governance Pathways Initiative Step 1 Recommendation (“Recommendation”).² As provided for under Section 7 of the WEM Charter, the RIF is authorized to undertake discussion of topics that are pending in ongoing stakeholder proceedings, and the function of the RIF is to facilitate discussion and provide educational or informational content regarding such topics and to produce documents and opinions of the RIF. The Recommendation has been designated as a decisional item that is within the joint authority of the WEM Governing Body and the Board of Governors of the California Independent System Operator Corp. (“CAISO”).

The RIF liaisons appreciate the opportunity to comment and provide the WEM Governing Body with certain observations regarding the position of the RIF with respect to the Recommendation. As reflected in the indicative statements of position included in the comment template in the CAISO-administered stakeholder process addressing the Recommendation, most stakeholders articulated positions that either support, are neutral, or take no position on the Recommendation, with a majority of commenting entities expressing support. Some stakeholders have articulated the need for further changes to the governance of the WEM and would have preferred that the Step 1 revisions reflect more comprehensive reforms, while others strongly support the Step 1 proposal as a meaningful incremental step that can be readily adopted and implemented on a near-term basis as commitments to participate in the Extended Day Ahead Market are formalized. A number of stakeholders recommended that more details be added to the proposal to specify continued coordination and joint meetings between the CAISO Board of Governors and WEM Governing Body. Additionally, several stakeholders provided recommendations regarding additional issues for the Launch Committee to continue to evaluate and address, and it is our understanding that the Step 2 phase of the Pathways initiative may provide a forum in which stakeholders may seek to advance these ideas. While not necessarily representing every stakeholder’s ideal end-state for independent market governance, Step 1 nonetheless constitutes an important incremental effort to provide additional independent oversight of the CAISO-administered markets.

¹ The RIF is a stakeholder body organized under Section 7 of the Charter for WEM Governance (“Charter”) for the purpose of facilitating discussion of issues related to the WEM. Under the Charter, meetings of the RIF are organized and facilitated by liaisons selected by stakeholder sectors, which include Western Energy Imbalance Market (“WEIM”) entities, CAISO Participating Transmission Owners, consumer-owned utilities located within a WEIM balancing authority area that are not included in another sector, public interest and consumer advocate groups that are actively involved in energy issues within the WEIM footprint, independent power producers and marketers that engage in transactions within the WEIM footprint, and the federal power marketing administrations.

² See Step 1 Recommendation: Final Draft, *West-Wide Governance Pathways Initiative* (May 24, 2024), available at <https://stakeholdercenter.caiso.com/InitiativeDocuments/FinalProposal-WestWideGovernancePathwaysStep1-June7,2024.pdf>.

The RIF liaisons commend the Launch Committee for recommending near-term enhancements to the governance of the WEM that appear to be widely supported by commenting stakeholders, seek to advance greater independent oversight of WEM, and provide a solid foundation for consideration of more comprehensive structural reform to western energy market governance and administration, consistent with the issues under consideration in the Step 2 phase of the Launch Committee’s work. The RIF liaisons are encouraged by the increased outreach and communication with stakeholders across the West as a part of the Step 2 efforts. Open discussion with stakeholders through both the Launch Committee process and any subsequent CAISO stakeholder initiative will be critical given the importance of this issue to all stakeholders. As representatives of a wide range of stakeholder interests and perspectives, we support continued efforts by the Launch Committee to engage in open and transparent dialogue with stakeholders throughout the West and to seek input and ideas representing a range of viewpoints. Reform efforts will be most successful when participants are confident not only that their opinions have been heard and considered, but that they will continue to have a voice and an opportunity to shape outcomes under revised organizational and market structures. The RIF is prepared to support the Launch Committee in these efforts and will continue to provide the WEM Governing Body with the perspective of the RIF as Step 2 efforts advance.

The liaisons listed below have reviewed and support the comments provided above. Consistent with the Operating Guidelines of the RIF, members of the RIF are not restricted in taking any position before the Federal Energy Regulatory Commission or in any other forum concerning matters related to the WEM or the CAISO, and these comments should not be construed as superseding or supplanting any comments by individual stakeholders on the Recommendation. Rather, these comments represent a consensus of the RIF stakeholder sector liaisons as to the issues addressed herein. In the event that the WEM Governing Body has questions or would like to further discuss the comments provided on behalf of the RIF, the RIF liaisons welcome and encourage outreach by members of the Governing Body.

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