

Regional Issues Forum Enhancement Project

Discussion Paper

April 7, 2025

Executive Summary

In November 2024, the West-Wide Governance Pathways Initiative (“WWGPI” or “Pathways”) Launch Committee issued a proposal (“[Step 2 Final Proposal](#)”) to evolve the governance over the Western Energy Markets (“WEM”) administered by the California Independent System Operator Corporation (“CAISO”).¹ The stakeholder process components of that proposal described a Stakeholder Representatives Committee (“SRC”), similar to today’s WEM Regional Issues Forum (“RIF”), although with an expanded role for the SRC in the market’s stakeholder process. This Discussion Paper examines some of the proposed roles for the SRC and considers whether and how to begin to implement those changes in the RIF. The paper considers changes in the following areas:

- 1) SRC Transition Approach and Process** – The paper proposes for the RIF to develop and implement a process to transition into the SRC if and when the relevant criteria for implementation of the Regional Organization (“RO”) under the WWGPI Step 2 Final Proposal are satisfied.
- 2) Process and Timing for Potential Revisions to Sectors** – The RIF liaisons propose to adopt a transition period (prior to the point at which the SRC is formally established) whereby interim or adjacent sectors of the RIF are established for sectors that will be newly formed under the Step 2 Final Proposal. These sectors include Large Commercial/Industrial Customers and the Distributed Energy Resources sector.
- 3) Role of the RIF and Potential Changes to Align with SRC** – The RIF proposes changes in a number of areas to align with roles of the SRC:
 - a. Role in Policy Initiative Identification and Prioritization (Catalog/Roadmap Processes): The RIF will maintain its existing Roundtable process. The RIF seeks input on incremental changes to its current involvement in the Policy Initiatives Catalog and Roadmap Process that stakeholders believe would be beneficial and are consistent with the Step 2 Final Proposal.

¹ See West-Wide Governance Pathways Initiative, Launch Committee, Step 2 Final Proposal (Nov. 15, 2024), available at <https://www.westernenergyboard.org/wp-content/uploads/Pathways-Initiative-Step-2-Final-Proposal.pdf>.

- b. Role in Stakeholder Initiative Phase (Stage 1 Issue Evaluation/Problem Statement and Stage 2 Policy Development): The RIF proposes to establish an initiative sponsor role to support CAISO staff in policy initiatives and partner in engaging stakeholders on initiatives. The RIF also proposes to recommend the use of smaller work groups as a part of CAISO initiatives to support focused technical discussions among stakeholders, with communication back to the broader stakeholder community. Finally, the proposal recommends an expanded use of indicative voting by stakeholders through the existing stakeholder comment process.
- c. Function and Purpose of the RIF: The RIF proposes to expand its role as advisory to the WEM Governing Body and to formalize a process and adopt practices for providing more substantive input to the WEM Governing Body on defined topics.

The RIF seeks stakeholder feedback on this Discussion Paper and the proposals discussed below by May 15th. A stakeholder comment template is included as Appendix A and available on the RIF website.

I. Introduction and Background

In November 2024, the Pathways Launch Committee issued the Step 2 Final Proposal to evolve the governance of the WEM, including the Western Energy Imbalance Market (“WEIM”) and the Extended Day Ahead Market (“EDAM”), administered by CAISO. The Step 2 Final Proposal discusses and adopts a range of recommendations related to implementation of the new RO, including several pertaining to the stakeholder process. While certain aspects of the Pathways Step 2 Final Proposal will require California legislation to fully enact, a number of the recommendations made regarding the stakeholder process could potentially be pursued today.

The RIF liaisons are evaluating aspects of the Pathways Step 2 Final Proposal to determine if any proposed changes to the role and responsibilities of the RIF within the CAISO stakeholder process should be adopted in advance of implementing other aspects of the Step 2 Final Proposal. The RIF liaisons are also engaged with the Pathways process and are focused on ways in which the RIF could eventually transition into the SRC of the RO. The purpose of this Discussion Paper is to capture the initial thinking of the RIF liaisons regarding both the Pathways transition process related to implementation of the functions of the SRC and the functioning and role of the RIF currently, as well as to gather feedback from the broader RIF community on these topics. It is important to note that the RIF intends to work closely with both CAISO staff and the Pathways Launch Committee in this effort to ensure alignment. Additionally, the RIF will only be focused on elements that are within its purview and control, not aspects of the proposal that would require extensive process changes from CAISO staff or that pertain to other aspects of WEM governance that are unrelated to the RIF.

The RIF liaisons are proposing to focus potential efforts primarily on areas that would require no legislative changes, limited or no modifications to the existing WEM Charter,² and limited or no additional effort by CAISO staff. In addition to consistency with the direction provided in the Step 2 Final Proposal, the RIF liaisons are also focused on enhancements that align with stakeholder process efforts by CAISO staff. The liaisons also seek to prioritize the areas of greatest benefit to the broader RIF community. The RIF liaisons are thus asking for feedback from stakeholders on whether the proposal below achieves those objectives.

II. Overview of Work Plan

In January, the RIF liaisons developed a Work Plan (included as Appendix B) to address and consider the areas of potential impact and alignment between the SRC in the Step 2 Final Proposal and what the RIF is doing or is authorized to do today. The Work Plan identifies major steps and deliverables in this RIF Enhancements effort and discusses key criteria for advancing changes to the RIF's existing structure and responsibilities. At this stage, the project is focused on the following objectives:

- Evaluating and addressing whether aspects of the SRC under the WWGPI Step 2 Final Proposal can and should be implemented in the near term.
- Identifying and assessing any additional changes to the RIF's role in the CAISO stakeholder process that should be pursued in the near-term, ensuring that these are consistent with the future state of the stakeholder process as envisioned in Pathways.

The RIF will coordinate its efforts with parties that are expected to be affected by the changes that are under consideration in this effort, including members of the RIF (*i.e.*, stakeholders within the WEM); the Pathways Launch Committee, Formation Committee, and Stakeholder Process working group; and the CAISO. In addition, the RIF will also ensure that the WEM Governing Body and the Body of State Regulators are kept apprised of the status of and the issues under consideration in this initiative.

While recognizing that the efforts of stakeholders may be focused on key CAISO initiatives that are underway,³ the RIF liaisons have identified the following target timeline for completion of the activities in this initiative:

- Early April
 - Publication of Discussion Paper and identification of areas for stakeholder feedback.

² Charter for Western Energy Markets Governance, Board Policy, Ver. 1.7 (Rev. 7.17.2024) ("WEM Charter"), available at [Microsoft Word - CharterforWEIMandEDAMGovernance \(Clean as revised effective 07.17.2024\)](#). The provisions of the WEM Charter addressing the RIF are at section 7.

³ The RIF requests any comments on stakeholder bandwidth and timing to address the issues in this RIF Enhancements project.

- Presentation and discussion regarding the Discussion Paper at the April 9 RIF meeting.
- April/May – Liaisons to conduct sector outreach on the issues in the Discussion Paper and seek feedback, in addition to providing a window for stakeholder comments.
- June/July – RIF liaisons will review stakeholder input and develop an updated proposal for stakeholder consideration, along with any applicable work plans to implement specific recommendations. A revised Discussion Paper/ Proposal would be published for stakeholder review and comment.

Additional steps within this project—including the possibility of further proposal iterations, depending on stakeholder input—will be determined as part of the paper that is targeted for development in the June/July timeframe.

The timing of this effort may also be subject to revision depending upon stakeholder feedback regarding these efforts and the scope of issues that are ultimately addressed.

In terms of the criteria that the RIF expects to use for evaluating proposed changes, the RIF liaisons propose that changes to the RIF under consideration at this time should:

- Not require legislative change or creation of the RO Board to be implemented.⁴
- Require limited or no modifications to the existing WEM Charter.
- Require minimal or no additional support from the CAISO staff.
- Be consistent with the direction proposed by the Pathways Launch Committee.
- Be consistent with the stakeholder process enhancements being pursued by CAISO staff and place limited additional workload on RIF liaisons.
- Provide benefits to the RIF stakeholder community through additional transparency, representation, or increased stakeholder engagement.
- Prioritize the areas of greatest benefit to the broader RIF community.
- Be supported or not opposed by participating stakeholders.

The RIF seeks comment on the process, timing, and applicable criteria for potential enhancements.

⁴ As discussed in section III.B below, the RIF is proposing to implement a transition process to reflect changes in the RIF sectors in time to support the RO Board Nominating Committee process, which the RIF liaisons understand could be commencing as early as the fourth quarter of 2025.

III. Discussion and Proposal

A. SRC Transition Approach and Process

As outlined in the Step 2 Final Proposal, the WWGPI envisions a more robust role for the SRC within RO stakeholder proceedings than is currently undertaken by the RIF. Recognizing that the RIF could facilitate its transition to the SRC structure described in the Step 2 Final Proposal, the discussion and proposal below propose for the RIF to develop and implement a process to transition into the SRC if and when the relevant criteria for implementation of the RO under the WWGPI Step 2 Final Proposal are satisfied. The RIF liaisons believe this transition would both be feasible and represent an efficient use of stakeholder resources.

The RIF liaisons seek to ensure that the broader RIF stakeholder community is supportive of or does not oppose the RIF's participation in the Pathways transition. While the RIF liaisons preliminarily believe that this transition process could be accomplished consistent with the roles and responsibilities of the RIF as outlined in the WEM Charter and in the RIF Operating Guidelines,⁵ it would likely require at least some changes to the RIF's foundational documents. The RIF can amend its Operating Guidelines as needed, but changes to the RIF-related provisions at section 7 of the WEM Charter would need to be presented to the WEM Governing Body for advisory input to the CAISO Board of Governors and, if the WEM Governing Body advises approval, subsequent (through initial placement on the consent agenda) action by the CAISO Board of Governors.⁶

It is not the goal of the RIF or the RIF liaisons to attempt to dictate policy or implementation decisions that are properly within the purview of the Pathways process. The RIF liaisons are ready to support a transition process to the SRC structure, whether that process involves evolving the RIF into the SRC or supporting the formation of the SRC as a new organization. At the same time, the liaisons see significant benefits and efficiencies in an evolutionary process that would leverage and expand upon the existing role of the RIF to eventually reflect the structure of the SRC as described in the Step 2 Final Proposal and would welcome input from the Pathways team regarding how to approach this transition.

Irrespective of any formal transition process that is developed, the Pathways Step 2 Final Proposal and its discussion of the RO stakeholder process and the SRC's role within that process emphasizes the expectation that a cultural shift will be needed among the stakeholder community for the SRC to function as effectively as it is envisioned in the Final Proposal. Stakeholders within the CAISO are accustomed to a stakeholder process that is open to all

⁵ Operating Guidelines, Western Energy Markets Regional Issues Forum (Rev. Nov. 19, 2024), available at https://www.westerneim.com/Documents/Operating_Guidelines-WEM_Regional_Issues_Forumrevised_Nov_2024.pdf. Under the WEM Charter, the RIF "is expected to establish its own procedures and methods of operation." See WEM Charter at § 7.1.1. These are reflected in the Operating Guidelines, which may be revised as needed upon consensus of the RIF liaisons. See Operating Guidelines at 6.

⁶ See WEM Charter at § 9.

participants but has historically been directed and implemented by the CAISO management and staff. In general, each stakeholder is responsible for representing and advocating for its own interests, and there are no formalized sector-based activities. The CAISO has evolved its stakeholder processes in recent years to engage the stakeholder community more directly in the policy development process. It established working groups for certain initiatives to enable stakeholders to more directly participate in the development of policy objectives, problem statements, and processes. The Step 2 Final Proposal provides a more robust set of opportunities for stakeholder-driven initiatives and advancement of issues, and the SRC provides a forum to facilitate stakeholder leadership and collaboration. The RIF is well-positioned to expand its responsibilities within the WEM consistent with the enhanced role for stakeholder participation as discussed in the Step 2 Final Proposal.

B. Process and Timing for Potential Revisions to Sectors

A key step in evolving the RIF to the SRC structure relates to the current sectors of the RIF. The Step 2 Final Proposal contains certain revisions to the current RIF sectors. The WEM Charter for WEM Governance (at section 7.2) currently defines the sectors as:

- WEIM entities (as defined in the Tariff under EIM Entity);
- ISO participating transmission owners (as defined in the tariff);
- Consumer-owned utilities located within an WEIM balancing authority area that are not included in another sector;
- Public interest groups and consumer advocate groups that are actively involved in energy issues within the WEIM footprint; and
- Independent power producers and marketers who engage in transactions within the WEIM footprint.

In addition, federal power marketing administrations may select one liaison.

EDAM Entities may also select one liaison after an executed EDAM implementation agreement is filed with FERC.

Except as otherwise specified, the WEM Charter provides for sectors to appoint two liaisons each.⁷ There are currently twelve liaisons on the RIF.

In contrast, sectors provided for under the Step 2 Final Proposal⁸ are:

	RO Sectors for Stakeholder Voting	Sector-based seats on SRC
1	EDAM Entities	2 seats
2	WEIM Entities	3 seats

⁷ The WEM RIF Operating Guidelines implement the provisions of the WEM Charter related to the definition of sectors and the number of sector representatives. See Operating Guidelines at 3.

⁸ See Step 2 Final Proposal at 90-91.

	[no PMA standalone sector]	*1 additional seat reserved for PMAs in either EDAM or WEIM sector, assuming the PMA is either a WEIM or EDAM Entity
3	ISO PTOs	2 seats
4	Non-IOU load serving entities serving load from WEIM or EDAM	4 seats *If an entity participates collectively through an EDAM entity (e.g., BANC members), they cannot also participate in a different sector as individual entities (i.e., generators or munis)
5	PIOs	2 seats
6	Consumer advocates	2 seats
7	Large C&I customers	2 seats
8	IPPs, independent transmission developers, and marketers	3 seats
9	Distributed Energy Resources (including distributed generation, storage and demand response resources, aggregators, and enabling hardware and software providers)	1 seat
		<i>Total: 21 seats on committee</i>

As shown in the table above, the Final Proposal also includes revised numbers of SRC sector representatives relative to the RIF.

Given the differences in the sector composition and representation under the existing RIF versus the SRC under the Step 2 Final Proposal, the issue for the RIF and stakeholders to consider is whether the RIF can and should evolve its existing sectors independently to align with SRC and what the timing for that transition would be.

At this time, the RIF liaisons propose to adopt a transition period (prior to the point at which the SRC is formally established) whereby interim or adjacent sectors of the RIF are established for sectors that will be newly formed under the Step 2 Final Proposal. These sectors include:

- Large Commercial/Industrial Customers
- Distributed Energy Resources

For the transition period, each new sector would have one liaison representing the sector on the RIF, participating fully in the RIF's activities. This approach would enable the new sectors to be formed, which would involve, at a minimum, identification of relevant sector participants and establishing initial practices for sector activities. Sector activities may include periodic meetings and communications, as well as processes for participation in elements of the RIF, such as the annual Roundtable, as a sector.

In addition to formation of new sectors, the Step 2 Final Proposal includes changes to existing sectors. For example, independent transmission developers that are currently CAISO Participating Transmission Owners ("TO") are now participants in the CAISO Participating TO sector. Under the Step 2 Final Proposal, these entities will be included in the Independent Transmission Developers, and Marketers sector. Similarly, the current sector of the Independent Power Producers ("IPP") and Marketers, which is a large and diverse sector, includes demand response providers. Demand response providers will have their own voting sector under the Step 2 Final Proposal. The Public Interest Organizations ("PIOs") and Consumer Advocate groups would be separated into two sectors. Lastly, under the Step 2 Final Proposal, Community Choice Aggregators ("CCAs") appear to fit within the "Non-IOU load serving entities serving load from WEIM or EDAM" sector. Although they do not generally own or operate transmission or distribution assets as utilities typically do, given the potential alignment of interests between CCAs and the current Consumer-Owned Utilities sector, the RIF intends to include CCAs in the Consumer-Owned Utilities sector.

The RIF would expect to recommend changes to any provisions within section 7 of the WEM Charter that may be necessary to effectuate sector transition activities. The RIF would also make corresponding updates to its Operating Guidelines.

At this time, it appears less critical that sectors expand the number of their sector representatives as part of the transition process than to ensure that stakeholders are appropriately included within a sector. For example, the Consumer Owned Utilities sector currently has two RIF liaisons; under the Step 2 Final Proposal, the Non-IOU load serving entities sector will have four assigned representatives. The RIF liaisons perceive expansion of the number of sector representatives to represent a step that could take place closer to the point at which the SRC is established. Stakeholder input on this point would be useful.

Finally, the RIF seeks input regarding the timing of sector-based changes. The RIF liaisons understand that the Pathways Formation Committee anticipates that it may initiate its process for establishing the RO Board in approximately the fourth quarter of 2025, contingent on the passage of legislation in California that will enable the Step 2 Final Proposal to advance. To facilitate timely seating of the Nominating Committee for the RO Board, the RIF understands that it would be beneficial to have the sectors of the SRC organized in time to participate in the Board selection process. The RIF can support this process through the formation and reorganization of sectors on a transitional basis in 2025 as outlined above and proposes to begin its process for sector formation and reorganization as soon as practicable following completion of this initiative. Any transition process that is developed would need to address the

contingency where the necessary legislation for implementation of the Step 2 Final Proposal is not enacted.

With respect to transitioning the sectors and sector representation from the current framework to that envisioned by the SRC, one concern may be advancement of changes to current RIF sectors to accommodate process and timing needs for the Pathways Step 2 Final Proposal, including the seating of the RO Board, while not also simultaneously implementing the voting-related elements that are a key part of the RO stakeholder process under the Step 2 Final Proposal. Do stakeholders have a perspective on the linkage between the structure and representation of the SRC sectors and the future voting process? In what way might these linkages impact timing and process considerations for transitioning of the sectors?

The RIF liaisons look forward to stakeholder comments on the proposal to undertake changes to the sector composition of the RIF on a transitional basis consistent with the framework of the Pathways Step 2 Final Proposal.

C. Role of the RIF and Potential Changes to Align with the Stakeholder Representatives Committee

The RIF is assessing if there are aspects of the Pathways Step 2 Final Proposal that would be beneficial for the RIF to implement irrespective of whether the Pathways process advances. The discussion below focuses on several areas of the SRC's expected involvement in the RO stakeholder process and considers if the RIF should adopt or implement any of these elements.

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

The CAISO staff currently undertakes a comprehensive annual policy initiative identification and prioritization process that is generally conducted as a stakeholder initiative and provides several opportunities for direct stakeholder engagement.⁹ Referred to as the "Annual Roadmap Process," this initiative begins with a level-setting workshop in the first quarter of each year together with an open comment period during which stakeholders may propose policy initiatives for inclusion in the CAISO Policy Initiatives Catalog and in the next iteration of the annual Roadmap. The process culminates with the issuance of a final Policy Initiatives Roadmap in December. Key steps within this process, as defined by the CAISO, include:¹⁰

⁹ Information regarding the Annual Policy Initiatives Roadmap Process for 2025 is provided on the CAISO website at [California ISO - Annual policy initiatives roadmap process - 2025](https://www.caiso.com/initiatives/roadmap-process-2025).

¹⁰ See Cal. Indep. Sys. Operator Corp., Policy Initiatives Catalog and Roadmap Process (Oct. 11, 2024) ("2025 Policy Initiatives Paper") at 5, available at <https://stakeholdercenter.caiso.com/InitiativeDocuments/Policy-Initiative-Catalog-and-Roadmap-Process.pdf>.

Catalog and Roadmap Timeline

The Policy Initiative Catalog and Roadmap development process takes place on an annual basis as described above. The following table summarizes milestones during this process:

January	•Level-setting stakeholder workshop
February	•Stakeholders submit policy initiatives to Catalog
March-April	•Stakeholders prioritization workshops
May	•Stakeholders submit prioritization rankings
June	•ISO releases Policy Initiatives Catalog
July	•ISO begins Policy Initiatives Roadmap development
October-November	•ISO releases Draft Policy Initiatives Roadmap
December	•ISO presents Final Policy Initiatives Roadmap to Board of Governors/WEM Governing Body

Stakeholders actively participate in this process by submitting policy initiatives, engaging in prioritization workshops, and providing rankings that influence which proposed initiatives advance to implementation through inclusion in the Roadmap.

To prioritize initiatives, the RIF understands that the CAISO staff engages in an internal assessment process that involves consideration and weighing of multiple factors, including stakeholder priorities and rankings, alignment with CAISO strategic objectives, initiative feasibility, issue urgency, and available CAISO and stakeholder resources. The RIF provides a key input into this process, with sector liaisons collaborating with their respective sectors to develop and present sector positions regarding new initiatives and proposals for ranking and prioritization of initiatives during an annual “Roundtable.” The RIF Roundtable will typically take place during the March/April timeframe to allow consideration of RIF input as the Catalog is developed, and it concludes with issuance of a report on the annual Roundtable process. The most recent Roadmap was published on December 12, 2024, and reflects the CAISO’s intended plan for existing and new policy initiatives for 2025 through 2027.¹¹

The WWGPI Step 2 Final Proposal describes a policy initiative identification and prioritization process that in many ways resembles the process that the CAISO is already conducting, and there are parallel roles for the SRC that are in alignment with the role of the RIF in the current process. There are, however, several key differences.

First, CAISO staff generally drives the policy prioritization in the current process. In contrast, under the RO framework, the SRC will engage in a greater degree of coordination with the RO staff as the prioritization for the Roadmap is developed. For example, RO staff may coordinate with the SRC prior to publication of Roadmap iterations to ensure that the Roadmap reflects

¹¹ See Annual Policy Initiatives Roadmap Process – 2024, available at [California ISO - Annual policy initiatives roadmap process - 2024](#).

stakeholder input. In short, the Roadmap process is envisioned to be more collaborative as between the RO and the SRC relative to the current approach. The RIF proposes to engage with the CAISO staff as a part of its Roadmap development process to assist in the prioritization process and would appreciate feedback from the CAISO in particular on how this coordination can be accomplished.

Second, the Step 2 Final Proposal contemplates that stakeholders will vote on the final Policy Initiative Catalog and Roadmap documents, consistent with the process and parameters for voting contained in the Step 2 Final Proposal, which provides for the RO staff to conduct the vote. Adhering to established voting protocols, the SRC will provide a report to the RO Board detailing the voting results, together with any additional relevant information to inform the RO Board's review and decision-making regarding the Catalog/Roadmap. Currently, there is no process for voting. The RIF liaisons seek input regarding whether indicative voting on the Catalog or Roadmap would be beneficial.

Finally, the current Policy Initiative Catalog and Roadmap are the subject of detailed briefings to the CAISO Board of Governors and the WEM Governing Body, but neither body undertakes a vote of approval on the outcome of the Annual Roadmap Process. Under the Step 2 Final Proposal, the RO Board will approve the final prioritization of initiatives. As noted, the SRC would report to the RO Board regarding the positions of stakeholders on the final documents. Following a decision on the Catalog and Roadmap by the RO Board, the Step 2 Final Proposal contemplates that RO staff will inform the SRC in the event of a need to reprioritize any initiatives in a way that materially impacts whether the initiative will be addressed or the timing of an initiative.

Given the similarities between the role of the RIF within the current Annual Roadmap Process and the role of the SRC within the prioritization process under the RO, the RIF will maintain its existing Roundtable process. The RIF seeks input on whether there are any incremental changes to its current involvement in the Policy Initiatives Catalog and Roadmap Process that stakeholders believe would be beneficial.

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

While the RIF currently has a function within the CAISO Annual Roadmap Process as described in the previous section, the RIF does not have a defined role within the stakeholder process for formulating problem statements for CAISO initiatives. It is solely the responsibility of the CAISO staff to conduct working groups, solicit feedback, and aggregate stakeholder positions to determine problem statements that are reflective of the issues stakeholders have identified. The main method for stakeholders to provide input into the process is during meetings and in formal comment periods. Sometimes, CAISO staff develop problem statements without input from stakeholders if there are discrete issues that CAISO staff identifies in the CAISO's capacity as the market operator. CAISO staff may use discussions from public RIF meetings to help inform their problem statement development process, but this is up to the discretion of CAISO

staff. The problem statement process concludes when CAISO staff determines that it has enough information to develop and release Issue Papers to stakeholders. Issue Papers set the foundation for policy development by providing stakeholders with the problem statements and overview of the discussions and feedback that led to their development.

Like the problem statement formulation process, RIF liaisons do not have a formal role in developing policy. CAISO staff plan, host, and present at stakeholder meetings, although, with increasing frequency, the CAISO staff actively solicits participation by stakeholders in presenting positions and proposals. The CAISO has occasionally used polling and advisory voting to help inform staff on the direction of policy discussions. Final proposals are normally created after multiple iterations of draft proposals that receive feedback from stakeholders. Once a Final Proposal is taken to the CAISO Board of Governors and WEM Governing Body, RIF liaisons have the opportunity to express common positions among their sectors to the WEM Governing Body, although, as discussed in section III.C.3 below, this authority of the RIF has been infrequently exercised.

In the Step 2 Final Proposal, the Launch Committee envisioned a formal role for the SRC in the issue evaluation, problem statement formulation, and policy development phases of the RO stakeholder process. The SRC, at its discretion, may identify sector sponsors to partner with CAISO or RO staff to identify issues, create problem statements and develop policy solutions. Sector sponsors would not need to be SRC members. The purpose of the sector sponsor is to help facilitate the process and engagement among and between stakeholders as well as between stakeholders and CAISO or RO staff. The role of the sponsor is to help ensure the initiative is progressing in a constructive manner, that stakeholder voices (both majority and minority perspectives) are being heard and considered, and to facilitate substantive discussions among stakeholders with differing perspectives.

The Step 2 Final Proposal also considers the use of smaller work groups, consisting of stakeholders, to help identify issues and problem statements, work through technical or complex issues, and help shape policy development. Smaller groups would be formed after collaboration between the sector sponsors and the CAISO or RO staff determines that smaller work groups would be beneficial to the initiative process. The expectation of the work groups would be that they provide results of their work and proposals back to the larger stakeholder community to ensure appropriate transparency within the stakeholder process.

Finally, the Step 2 Final Proposal identified a need for advisory stakeholder voting within the stakeholder process. The SRC will be responsible for reviewing the results of the vote and reporting each sector's position in the appropriate forum, dependent on when the vote is held within the stakeholder process. The Final Proposal provides a detailed discussion of voting and the SRC's involvement in the vote.

The RIF liaisons are interested in exploring an expanded role for the RIF in the CAISO stakeholder process. In discussing the idea of a sector sponsor for initiatives, there were concerns that the role be defined clearly enough to ensure that it is used appropriately; for

example, to mitigate the potential for a sponsor using the role to solely promote their own interests or those of the sector they represent. The role should be focused on facilitating and encouraging comprehensive stakeholder engagement rather than on the advancement of single prescribed outcome for the initiative. The sponsor is responsible for working toward an outcome that has broad stakeholder support, while also considering minority views. RIF liaisons also emphasized the importance of ensuring that the minority interest is represented and considered and that the sponsor helps to ensure that the minority voice is heard in initiative discussions.

With those considerations in mind, RIF liaisons have developed a proposed approach to the sponsor role and seek feedback from stakeholders on this approach. The sponsor role is voluntary. Liaisons would self-nominate or nominate other sector members to act as the sponsor for an initiative beginning with initiatives launched from the 2025 Roadmap. If multiple stakeholders express interest, the RIF would hold a discussion to determine the best path forward, potentially including joint sponsorship. The sponsoring stakeholder need not be a technical expert in the given initiative but should have an interest in supporting stakeholder engagement on the topic and need not be a RIF liaison.

The sponsor's role would focus on enhancing stakeholder engagement with CAISO as well as dialogue and compromise among stakeholders. The sponsor would be a partner for the CAISO staff assigned to the initiative and would help facilitate the stakeholder process. Their role would be to help generate and coordinate sector engagement to ensure that diverse stakeholder perspectives are heard and considered in the process. They may also help generate interest in the initiative through outreach to sectors via their RIF liaison colleagues. The sponsor can assist stakeholders in navigating the initiative process and may also help with outreach from CAISO staff to stakeholders.

The sponsor would have a role in establishing and managing smaller work groups that focus on subtasks within an initiative, as discussed above. The sponsor may partner with CAISO staff to define and recruit members of the smaller work group. Sponsor engagement in this activity is also optional—CAISO staff may choose to develop a smaller work group on its own and may keep the sponsor engaged in the process but may not require the sponsor's assistance in establishing and running the work group. The sponsor can assist the CAISO staff with presenting the results of the work group back to the broader stakeholder initiative.

The small work group would focus on a discrete technical task or policy proposal and then bring the results of that work back to the broader stakeholder group for feedback, potentially including an opportunity for comment.

The Pathways Step 2 Final Proposal contemplates the use of indicative voting at certain stages of the stakeholder process. The RIF has discussed the potential use of voting and proposes that CAISO begin implementing basic indicative voting at different stages in the process. The RIF recommends that CAISO use the type of voting/indication used in the Pathways Step 1 stakeholder process. That process included a question in the public comment template stating,

“Please provide a one word reply to indicate whether your organization supports, opposes, or holds a neutral position with respect to the Step 1 Recommendation.” The inclusion of this question provided the RIF liaisons with helpful insight into the indicative vote of their sector members.

While this voting approach does not go as far as the scope of voting and voting analysis as proposed in the Step 2 proposal, it would introduce the concept of voting to stakeholders and provide insight to the RIF liaisons on sector perspectives. It would also enable more robust reporting of stakeholder and sector positions on an initiative by the RIF to the WEM Governing Body.

3. Function and Purpose of the RIF

The current purpose of the RIF is to provide a forum for stakeholders to learn about the WEIM, the EDAM, the WEM Governing Body, and related CAISO and Western market developments that may be relevant to the RIF and its members and to provide a forum for addressing issues of WEIM and EDAM operations. Historically, the RIF has been primarily focused on education/information and providing a forum for stakeholder discussion on key topics of interest related to western energy markets. More recently, the RIF has evolved to enable the provision of more substantive input to the WEM Governing Body and the CAISO through a “Roundtable” process for informing the CAISO’s development of its Annual Policy Initiatives Roadmap. In addition, the RIF may: 1) assign sub-teams of subject matter experts to evaluate proposals and report back to the RIF and stakeholders with recommendations for solutions; 2) produce documents or opinions for the benefit of the WEM Governing Body or the CAISO; and 3) communicate RIF-related information and/or perspectives to the WEM Governing Body or the CAISO.¹²

In the Step 2 Final Proposal, the responsibilities of the SRC and its representatives are similar to the RIF, but with greater emphasis on providing advice and input and facilitating and supporting the participation of stakeholders in the stakeholder process, both individually and at the sector level.¹³ The expectation is that persons appointed to roles on the SRC and on any adjacent groups will be committed to supporting and facilitating the participation of the stakeholder community and its members in the stakeholder process, even if a given stakeholder’s perspective or position does not necessarily align with the position of the SRC representative or appointee’s position on an issue, the position of the representative’s company, or the position of the representative’s sector. The Proposal envisions increased reporting activities of the SRC to the RO Board and reduction in a current key task of the RIF, which is to provide educational and informational content. The focus on education and information is expected to shift to the new Office of Public Participation.¹⁴

¹² A full explanation of the purpose and responsibilities of the RIF can be found in the Operating Guidelines.

¹³ See Step 2 Final Proposal at 87.

¹⁴ *Id.*

As described above, the current RIF Operating Guidelines enable the RIF to perform an advisory role to the WEM Governing Body and the CAISO; however, to date these elements have not been well formalized and have largely been implemented on an *ad hoc* basis by the RIF liaisons. Additional definition around these roles in anticipation of a transition to the SRC should not require changes to the WEM Charter, while any necessary changes to the Operating Guidelines to better facilitate the RIF's advisory function could be undertaken by the RIF liaisons.

During discussions among RIF liaisons, there is agreement that there could be broad benefit and usefulness, regardless of the outcome of Pathways, if the RIF can formalize a process and adopt practices for providing more substantive input to the WEM Governing Body on defined topics. The RIF therefore proposes to begin this shift as part of the transition to the SRC. To accomplish this, the RIF would need to better define which topics may warrant such input and the process for developing and distilling input from the RIF and sectors. The RIF liaisons seek input from stakeholders on how this process would be defined, what topics may be addressed by the RIF, and how best to reflect stakeholder feedback and communicate it to the WEM Governing Body (and future RO Board). The RIF liaisons also seek input on whether and how the RIF should expand its efforts beyond education/information sharing in the absence of Pathways and the new Office of Public Participation or whether any change should be deferred until the Office of Public Participation is in place. The RIF liaisons recognize that there continues to be value in the informational and educational content and discussions hosted by the RIF, and, in many instances, those dialogues have set up important conversations within the CAISO stakeholder processes. The RIF liaisons request input on how the RIF should consider continuing educational content versus a greater focus on substantive perspectives and input.

The RIF liaisons also seek input on any other specific proposals that the RIF should consider to support and facilitate stakeholder involvement in the initiative process.

IV. Conclusion and Next Steps

The RIF will meet in Portland, Oregon, on April 9, 2025.¹⁵ As outlined on the [agenda](#) for this meeting, the RIF has allocated time for review and discussion of this Discussion Paper.

The RIF would also appreciate written input from the stakeholder community regarding the topics and approaches outlined in this paper. A comments template is included as Attachment A. Comments are requested by May 15, 2025, and should be submitted to: EIMRIF@caiso.com.

Following receipt of comments, the RIF liaisons will review the input provided and assess next steps consistent with the timing outlined above in section II. Next steps may include development of further proposal iterations for stakeholders to consider and/or discussion regarding this project at the RIF's next meeting, scheduled to take place on June 17, 2025, in

¹⁵ This meeting will take place in a hybrid (*i.e.*, in-person and web-based) format.

Reno, Nevada.¹⁶ Information about upcoming RIF meetings is available on the [RIF webpage](#) of the Western Energy Markets website. An agenda for the June RIF meeting will be forthcoming closer to the scheduled meeting date.

The RIF liaisons also encourage members of the RIF to contact their [sector liaisons](#) or any RIF officer in the event of any questions or to provide input regarding this initiative.

¹⁶ The June meeting will likewise take place in a hybrid format.

**Regional Issues Forum Enhancements Project
Discussion Paper**

Submit comments to EIMRIF@caiso.com

Comments Template

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

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
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?
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?

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?

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?

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
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?
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.?

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

Other comments

14. Please provide comments regarding the process and timeline for the RIF Enhancements project.
15. Please provide comments regarding any other aspect of the RIF Enhancements project.

Regional Issues Forum Enhancement Project Workplan

Objectives:

- Evaluate and address whether aspects of the Stakeholder Representatives Committee (SRC) under the West-Wide Governance Pathways Initiative (WWGPI or Pathways) Step 2 Final Proposal can and should be implemented in the near term.
- Identify and assess any additional enhancements to the RIF's role in the CAISO stakeholder process that should be pursued in the near-term, ensuring that these are consistent with the future state of the stakeholder process as envisioned in Pathways.

Parties Impacted by Potential Changes (coordination required):

- RIF liaisons
- Pathways Launch Committee, Formation Committee and Stakeholder Process working group
- Stakeholders
- CAISO staff
- CAISO WEM Governing Body Members

Proposed Timeline (subject to change):

- January/February
 - Level set with impacted parties on scope and timing of the effort.
 - RIF liaisons develop a proposed work plan and socialize it with impacted parties for their input.
 - RIF liaisons draft a concept of the scope of the effort (1-2 PowerPoint slides)
 - RIF liaisons meet with sectors to share the draft concept and seek input from sectors on the scope, timing, and goals of this effort, noting that outcome could include retention of the status quo.
- March
 - RIF liaisons develop a draft proposal/white paper, scoping potential aspects of Pathways proposal/SRC to pursue in near-term. In conjunction with drafting process, continue coordination with impacted parties to align with other efforts.
 - The proposal may include additional RIF/stakeholder process recommendations that are consistent with the future Pathways stakeholder process as currently identified.
 - Proposal should identify any key areas for stakeholder feedback.

- April
 - Present draft proposal to RIF community at April 9 RIF.
- May
 - Individual sector outreach on proposal.
 - Provide window for open stakeholder comments.
- June - July
 - Incorporate RIF stakeholder feedback.
 - Updated proposal/white paper finalized.
 - Develop workplan to implement specific recommendations and actions to pursue proposal.
 - Next steps to implement will be determined by proposal – for instance, are changes to the RIF-related provisions of the WEM Charter needed.

Proposed Criteria for Recommended RIF Changes:

- Does not require legislative change or creation of RO Board to be implemented.
- Requires minimal or no additional support from CAISO staff.
- Requires limited or no modifications to the existing WEM Charter
- Consistent with the direction proposed by the Pathways Launch Committee.
- Consistent with the stakeholder process enhancements being pursued by CAISO staff and place limited additional workload on RIF liaisons.
- Provides immediate benefits to the RIF stakeholder community through additional transparency, representation or increased stakeholder engagement.
- Prioritizes the areas of greatest benefit to the broader RIF community.
- Supported/not opposed by participating stakeholders.