

# Decision on WEIM Governance Review Committee phase three (extended day- ahead market) final proposal

WEIM Governance Review Committee

Rebecca Wagner, Vice Chair

Tony Braun, Member

Joint ISO Board of Governors and WEIM Governing Body meeting

General Session

February 1, 2023

# WEIM Governance Review Committee - members

|                           |                                  |
|---------------------------|----------------------------------|
| Michele Beck              | Utah Office of Consumer Services |
| Tony Braun                | Braun Blaising Smith Wynne, PC   |
| Suzanne Cooper            | Bonneville Power Administration  |
| Eric Eisenman             | Pacific Gas and Electric Company |
| John Prescott*            | WEIM Governing Body              |
| Angelina Galiteva*        | ISO Board of Governors           |
| Jeff Nelson               | Southern California Edison       |
| Amanda Ormond             | Ormond Group LLC                 |
| Commissioner Letha Tawney | Body of State Regulators         |
| Rob Taylor                | Salt River Project               |
| Pam Sporborg              | Portland General Electric        |
| Rebecca Wagner            | Wagner Strategies                |
| Cameron Yourkowski        | EDP Renewables North America LLC |

*\* non-voting member*

*In loving memory of our dear friend, colleague, and partner in this effort, Therese Hampton.*

The WEIM Governance Review Committee members dedicate this work and a piece of our hearts to the memory of our beloved colleague, Therese Hampton (March 6, 1967 – September 30, 2022).

# The ISO Board of Governors and WEIM Governing Body asked the WEIM Governance Review Committee to lead the stakeholder process on EDAM governance

- Develop proposed refinements to WEIM governance to support the growth of the WEIM and the proposed extended day-ahead market (EDAM)
- Strive to develop a consensus proposal that has the support of all members
- Present to the ISO Board of Governors and WEIM Governing Body a proposal for their review and consideration

# WEIM Governance Review Committee Delegation of Authority

# Recommendations for delegation of authority and related topics

- Type of authority: Maintain joint authority construct and use it both for WEIM and EDAM
- Decisional classification: No changes
- Dispute resolution: No changes
- Scope of authority:
  - Revise definition rules falling within joint authority and advisory input to account for EDAM
  - Enhancements to advisory input process

## Scope of Joint Authority: Current definition

“Joint Authority: The EIM Governing Body will have joint authority with the Board of Governors to approve or reject a proposal to change or establish a tariff rule applicable to the EIM Entity balancing authority areas, EIM Entities, or other market participants within the EIM Entity balancing authority areas, in their capacity as participants in EIM. The scope of joint authority excludes, without limitation, any proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to the CAISO-controlled grid.”

## Scope of Joint Authority: Proposed revisions in blue

“Joint Authority: The WEIM/EDAM Governing Body will have joint authority with the Board of Governors to approve or reject a proposal to change or establish a tariff rule applicable to the WEIM/EDAM balancing authority areas, WEIM/EDAM Entities, or other market participants within the WEIM/EDAM Entity balancing authority areas, in their capacity as participants within the WEIM/EDAM. The WEIM/EDAM Governing Body will also have joint authority with the Board of Governors to approve or reject a proposal to change or establish any tariff rule for the day-ahead or real-time markets that directly establishes or changes the formation of any locational marginal price(s) for a product that is common to the overall WEIM or EDAM markets. The scope of joint authority excludes, without limitation, any other proposals to change or establish tariff rule(s) applicable only to the CAISO balancing authority area or to CAISO-controlled grid.

Note: For avoidance of doubt, the joint authority definition set forth above does not include measures, such as parameters or constraints, the CAISO may use to ensure reliable operation within its balancing authority area.”



# Proposed Changes to the Advisory Authority Scope/Process

- Scope: The GRC recommends adding the day-ahead market to the existing definition of the scope of advisory authority
  - “Advisory authority”: The WEIM/[EDAM](#) Governing Body may provide advisory input over proposals to change or establish tariff rules that would apply to the real-time [and/or day-ahead](#) market but are not within the scope of joint authority
- Process: In cases where the Governing Body advises the Board not to adopt a proposal
  - Advisory input must be discussed in joint general session
  - If Board approves proposal for filing with FERC, Governing Body would be able to prepare, with independent assistance, a written statement of its opposition for submission to FERC

# WEIM Governance Review Committee Size and Composition of Governing Body

# Recommendations regarding the WEIM Governing Body

- Size: Should remain at five members, with the issue to be studied again during the next re-evaluation of governance
- Selection Process: When considering possible re-appointment of Governing body member, Nominating Committee should evaluate whether member is qualified for the new responsibilities associated with EDAM
- Compensation: Management should arrange for a study in 2023 to evaluate the compensation of the Governing Body relative to similar bodies

# WEIM Governance Review Committee Stakeholder Engagement and Policy Development

# Recommendations for stakeholder engagement

- Overall: Maintain current stakeholder engagement framework, and use stakeholder working groups when complexity and impact of an initiative merit the extra effort
- Prioritizing discretionary policy initiatives: Propose a new step; Begin the annual stakeholder roadmap process with a roundtable discussion hosted by the Regional Issues Forum (RIF) about the priorities of each stakeholder sector
- Add new RIF sector liaison for EDAM entities

# WEIM Governance Review Committee

## Weighing Interests of Regional Stakeholders

# Recommended addition to ISO Bylaws

- Amend ISO Bylaws to clarify that, consistent with its corporate purpose and status as a nonprofit public benefit corporation, ISO will weigh the interests of all stakeholders in the footprint
- Language to be added is as follows:
  - “Consistent with its status as a nonprofit public benefit corporation, and to enhance the efficient use and reliable operation of the ISO Controlled Grid, the Corporation will weigh the interests of all stakeholders within the footprint of the markets that it administers, including the Corporation’s balancing authority area, EDAM balancing authority areas and WEIM balancing authority areas.”

# WEIM Governance Review Committee Timing for Approval and Implementation of GRC Proposals



# Recommendations for approval of policy and implementation of governance changes

- Approval of policy: Board of Governors and WEIM Governing Body should have joint authority over decision on EDAM market design, as proposed
- Timing of Implementation: EDAM governance proposal should become effective once FERC conclusively accepts the ISO's tariff amendment filing with the market design

# Helpful links

## WEIM GRC information

<https://www.westerneim.com/Pages/Governance/GovernanceReviewCommittee.aspx>

## WEIM Governance Review Initiative webpage

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Western-EIM-governance-review>

## WEIM GRC Phase 3 – Draft Final Proposal

[EDAM-Governance-Draft-Final-Proposal-WEIM-Governance-Review-Committee-Phase-3.pdf \(caiso.com\)](#)