

WESTERN ENERGY IMBALANCE MARKET (WEIM)

Governance Review Committee General Session Meeting

WEIM Governance Review Committee Meeting
General Session Meeting
March 31, 2022



High Level Comment Summary: Comments on timing of the GRC proposals relative to EDAM market design proposals

- Consistent support for evaluating governance and market design in parallel
 - Many commenters want to ensure that governance proposal is put forward to the WEIM Governing Body and ISO Board of Governors for joint authority approval only with the market design proposal
 - Many commenters indicated the need for the GRC to remain available until final market design approval given the link between governance and market design
- Process recommendations included:
 - Provide time between market design proposals and governance proposals in order to allow stakeholders ability to engage
 - Post materials sufficiently in advance of meetings, have more general session meetings and provide sufficient comment period

High Level Comment Summary: What governance elements are implicated by the EDAM market design?

- Commenters emphasize EDAM as having greater impact on market participants than WEIM
- Consistent interest by non-ISO members for a governance structure independent from California appointment process
- ISO members recognize joint authority as a good balance of risk between participants
- Recommendation that GRC evaluate options relative to how they support or advance future governance free from California appointment process
- Suggestion that the GRC build out a governance roadmap that identifies the role of this effort and a path to potential legislative change

High Level Comment Summary: What governance elements are implicated by the EDAM market design?

- Commenters offered various recommendations on Delegation of Authority:
 - Type of Delegation: Primary Authority or Joint Authority
 - Scope of Delegation: EDAM Rules that apply to EDAM participants, some impact test to EDAM participants for rules that don't directly apply or all day-ahead and real-time market rules
- Many commenters recommended evaluation of the role for stakeholders; some recommended a more stakeholder driven structure
 - Some commenters recommended an expanded role for RIF on issues and more authority for BOSR
- Some commenters recommended more Governing Body input into Issue Selection, MSC, and DMM activities

High Level Comment Summary: Does the broader nature of the EDAM Market Design implicate the legal construct for governance

- Commenters offered few specific questions, but many asked for a re-evaluation and expressed interest in continued discussion
- A few specific questions included:
 - Can the Governing Body be provided Primary Authority without the ISO Board of Governors having veto authority?
 - Can a new independent board be established with authority over EDAM?
 - Would expanded scope of joint authority impact the ISO's Board of Governors ability to maintain control over the corporation?

High Level Comment Summary: Other Comments

- Decisional Classification and Dispute Resolution are important
- Evaluation of ISO Board of Governors Nominating Committee representation and Board Member criteria to provide for more regional representation
- Modification of the EDAM Mission Statement to ensure consideration of all market participants
- Selection of Governing Body members may be implicated by some of the governance decisions
- GRC should address how issues will be decided prior to final approval of the EDAM tariff by FERC.
- Evaluation of Governing Body support and compensation to ensure commensurate with EDAM responsibilities

GRC Approach to Review

- GRC is reviewing and revising its guiding principles for evaluation of governance modifications
- GRC has developed subgroups to evaluate comments and consider options
- GRC is interested in engagement with stakeholders on options
 - General session meeting April 29th for discussion
 - Sector based outreach in May
 - Straw proposal targeted for June

Governance Review Timeline

March

- Mar 31 – general session meeting – EDAM briefing / legal overview

April

- Apr 25 (week of) – EDAM market design straw proposal posted
- April 29 – general session meeting – discuss governance review scope & options

May

May – GRC working group sector outreach, straw proposal drafting and development

Jun/Jul

- Mid-June – general session meeting – straw proposal overview
- July – comments due

Aug/Sep

- Late-August – general session meeting – revised proposal overview
- September – stakeholder comments due

Helpful links

WEIM Governance Review Committee information

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

WEIM Governance Review Initiative webpage

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

WEIM Governance Review Committee Part One Draft Final Proposal

http://www.caiso.com/InitiativeDocuments/PartOneDraftFinalProposal_EIMGovernanceReview.pdf

WEIM Governance Review Committee Part Two Draft Final Proposal

<http://www.caiso.com/InitiativeDocuments/Decision-EIM-Governance-Review-Committee-Part-Two-Draft-Final-Proposal-July-19-2021.pdf>