

WESTERN ENERGY IMBALANCE MARKET

EIM Governance Review Committee Scoping Paper

Stakeholder Web Conference

February 5, 2020

10:30 a.m. – 12:00 p.m. (Pacific Time)



Agenda

Topic	Presenter
Governance Review Committee role & membership	Peter Colussy
Issue 1: Scope and nature of delegation to the Governing Body	Mary Wienke
Issue 2: Process for selection of the Governing Body	Jennifer Gardner
Issue 3: Stakeholder engagement	Cameron Yourkowski
Issue 4: Other potential areas for Governing Body involvement	Eric Eisenman
Issue 5 & 6: Guiding principles, other topics & schedule	Therese Hampton

The Charter for EIM Governance requires a reevaluation of EIM governance based on experience and changed circumstances.

- Must begin by September of 2020
- In 2018, EIM Governing Body voted to initiate the process
- A December 2018 issue paper sought comment

In the spring of 2019, the EIM entities expressed a desire to explore an extended day-ahead market (EDAM).

- EDAM could require further governance changes
- Current delegation does not include day-ahead market
- EDAM may necessitate more significant commitment from entities

To address both issues, the Board and EIM Governing Body jointly created the Governance Review Committee (GRC).

Charter asks GRC to:

- Propose governance changes for two scenarios:
 - Current EIM (without EDAM)
 - EDAM implemented
- Should seek to build on and refine current governance structure
- Focus exclusively on governance issues

The GRC will develop proposed governance changes through an open stakeholder process.

- Post papers and proposals
- Provide opportunity for stakeholder input
- Submit draft final proposal(s) for consideration by Governing Body and the Board of Governors

The GRC has 14 members.

Chair Therese Hampton, Public Generating Pool

Vice Chair Rebecca Wagner, Independent Consultant

Tony Braun, Braun Blaising Smith Wynne, PC

Andrew Campbell, Energy Institute at Haas, University of California, Berkeley

Suzanne Cooper, Bonneville Power Administration

Eric Eisenman, Pacific Gas and Electric Company

Angelina Galiteva, ISO Board of Governors**

Jennifer Gardner, Western Resource Advocates

Valerie Fong, EIM Governing Body**

Doug Howe, Independent Consultant

Idaho Commissioner Kristine Raper, Body of State Regulators

Rob Taylor, Salt River Project

Cameron Yourkowski, EDP Renewables North America LLC

Mary Wiencke, Pacificorp

***Indicates non-voting, advisory member*

The GRC has posted a scoping paper that seeks feedback about the issues it ought to consider.

- Details process and documents used to design the current governance structure
- Identifies six broad categories of potential topics
- Topics are based on earlier stakeholder comments from the December 2018 issue paper
- GRC encourages additions to previous comments

Governance Review Committee Member Mary Wienke
Scoping Paper Issue 1:

SCOPE AND NATURE OF THE DELEGATION OF DECISIONAL AUTHORITY AND THE DECISIONAL CLASSIFICATION PROCESS

Should the scope of the delegation to the Governing Body be changed?

- Specifically what should be changed?
- How should it change with or without EDAM?
- Would a “bright-line” rule that provides more definitive direction be better?
- Is there a role of “joint authority” between the Governing Body and Board?

Should the process for determining the decisional classification of an initiative be changed?

- Should the process through which the Governing Body is kept informed of preliminary determinations change?
- Are changes to the dispute resolution process in the Guidance Document needed?
- Is there sufficient transparency to stakeholders in this process?

Should it be more difficult to change the scope of the delegation?

- Would EDAM require a more durable delegation?
- What form would enhancements take?
- Are changes warranted even if EDAM is not ultimately established?

Governance Review Committee Member Jennifer Gardner
Scoping Paper Issue 2:

PROCESS AND CRITERIA FOR SELECTION OF GOVERNING BODY MEMBERS

Should the process or criteria for selecting members of the Governing Body change?

- Should representatives of public interest and consumer advocate groups have a voting role on the Nominating Committee?
- Should the selection criteria be more explicit about geographic diversity or diversity of sector experience?
- Should the Governing Body have more members or should the terms of service change?

Governance Review Committee Member Cameron Yourkowski
Scoping Paper Issue 3:

GOVERNING BODY MEETINGS AND ENGAGEMENT WITH STAKEHOLDERS

Are changes needed on the meeting process for the Governing Body?

- Meeting processes?
- Frequency and timing?
- Location?

Should there be a representative stakeholder advisory committee?

- What would be the role of such a committee?
- How would it decide on positions?
- Who would serve as members?
- How would they be selected?
- What would be the role of the committee be in the existing stakeholder process?
- Would the committee replace or engage with the RIF?
- Is it needed with or without EDAM?

Should the ISO arrange funding for the Body of State Regulators (BOSR)?

- The BOSR has concluded that it needs resources to participate effectively
- Is the ISO an appropriate source of funding?
- If so, for what activities?
- Would oversight of funding be needed?
- Should the GRC make a recommendation about this issue?

Should there be formal representation of public power and the federal power marketing agencies to the Governing Body?

- BOSR membership includes state regulators
- Growing number of EIM entities and participants have a different oversight framework
- If there is formal public power and power marketing agency representation, what form should it take?

Governance Review Committee Member Eric Eisenman
Scoping Paper Issue 4:

OTHER POTENTIAL AREAS FOR GOVERNING BODY INVOLVEMENT

Should the Governing Body be involved in other areas?

- Establishing the annual policy initiative roadmap?
- What is the appropriate engagement with market monitors such as Department of Market Monitoring (DMM) and Market Surveillance Committee (MSC)?
- Should the Governing Body have additional resources to assess market design and performance?
- Does the answer depend on whether EDAM is implemented?

Governance Review Committee Member Chair Therese Hampton
Scoping Paper Issue 5:

GUIDING PRINCIPLES FOR THE REVIEW

Should the GRC adopt guiding principles?

- Transitional Committee identified preliminary set of criteria
- Five key criteria became mission of the Governing Body in Charter for EIM Governance
- GRC is seeking comment on whether to have guiding principles beyond what is outlined in the GRC's charter
- If so, should the principles that form the mission of the Governing Body be used? Should they be supplemented or modified?

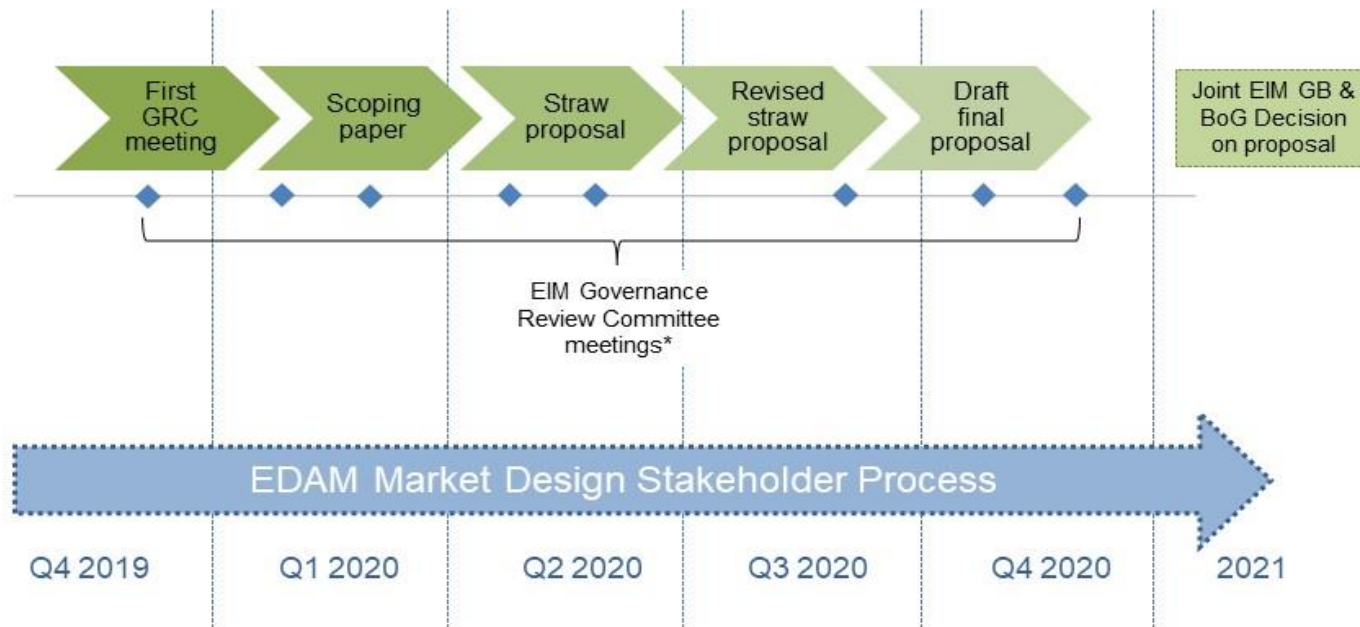
Governance Review Committee Member Chair Therese Hampton
Scoping Paper Issue 6:

OTHER POTENTIAL TOPICS FOR CONSIDERATION

Are there any additional issues the GRC should consider?

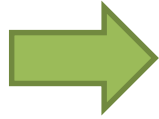
- Recognize there may be more topics
- Please include substantive proposals on how issues could be addressed

Committee work will happen concurrently with the EDAM market design activity



* Note that meeting dates are tentative and for general planning purposes only

Next steps for GRC governance proposal



Date	Item	Location
<u>February 21</u>	<u>Comments Due</u>	
March 11	In-person meeting	Phoenix, AZ
April 28	Straw Proposal Posted	
May 5	In-person meeting	Boise, ID
June 1	Comments Due	
June 29	In-person meeting	Folsom, CA
September 8	Revised Straw Proposal Posted	
September 15	In-person meeting	Seattle, WA
October 9	Comments Due	
October 28	In-person meeting	San Diego, CA
November 5	In-person meeting	Folsom, CA
November 17	Draft Final Proposal Posted	
December 1	In-person meeting	Southern CA