



California ISO

Proposed Amendment to Corporate Bylaws: Advisory Committees

September 29, 2021

California Independent System Operator

Draft Final Proposal

Management seeks stakeholder input regarding an amendment to the ISO's corporate bylaws proposed by the EIM Governing Body.

At its September 8, 2021 meeting, the EIM Governing Body voted to recommend that the Board of Governors amend the corporate bylaws by adding the following highlighted sentence to Article V, § 2:

Section 2. Advisory Committees.

Advisory committees may be appointed from time to time by two-thirds of the Governors then in office. Advisory committees' membership may consist of both Governors and non-governors or non-governors only. Advisory committees have no legal or expressed authority to act for the Corporation, but shall report their findings and recommendations to the Governing Board or Committee of Governors thereof. ***Any advisory committee to address matters related to joint authority issues or the governance of the Energy Imbalance Market, currently or as it may evolve, including the joint authority established under Article IV, shall be jointly established by the Board and the EIM Governing Body, by approval of two-thirds of the members of each body then in office.***

This proposal arose from the EIM Governing Body's review of Management's proposed changes to the bylaws and other ISO governing documents to implement the Part Two Proposal of the Governance Review Committee.¹ The EIM Governing Body voted to provide an advisory opinion to the Board supporting Management's proposed changes, which the Board subsequently approved at their September 23, 2021 meeting. In addition, the EIM Governing Body recommended the Board consider the further amendment to the bylaws reflected above.²

Any changes to the ISO's corporate bylaws must be approved by the Board of Governors. Management initiated this stakeholder process to provide stakeholders full transparency, an opportunity to comment on the issue before the Board considers it.

¹ The Governance Review Committee's Part II Proposal is available [here](#). The revisions to the corporate bylaws and other governance documents to implement the GRC proposal are available [here](#).

² A recording of the meeting is available [here](#). The discussion of the additional bylaw amendment occurred from 50:00:00 through 1:03:00 and again from 1:35:00 through 1:39:15.

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Management plans to bring this proposed additional amendment to the Board during its November meeting, subject first to possible further consideration by the EIM Governing Body at its meeting on October 20, if necessary, depending on stakeholder input.

The bylaws provide the rules for how the Board Governors will operate and its obligation to oversee the ISO.³ One step that the Board may take in discharging its duties is to form an advisory committee, which “may consist of both Governors and non-governors or non-governors only.” Such advisory committees are appointed by the Board pursuant to Article V, § 2, the section recommended for amendment.

The Governance Review Committee was established under this provision through a joint vote of the Board and the EIM Governing Body, even though the bylaws did not require the Board to include joint approval of the EIM Governing Body in connection with forming that committee. The proposed amendment would change that and make it mandatory for the Governing Body to be involved in creating such a committee to advise on the subjects of joint authority or the governance of the Energy Imbalance Market. Thus, such an advisory committee could only be established with the joint approval of the Board and the EIM Governing Body.

The ISO will discuss this Draft Final Proposal during a stakeholder call on October 5, 2021, 2:00 – 3:00 pm. The ISO requests stakeholders submit any written comments by Thursday, October 14.

Date	Milestone
Sept 28, 2021	Paper posted
Oct 5, 2021	Stakeholder meeting
Oct 14, 2021	Comments due
October 20, 2021	EIM GB Meeting (if necessary)
November 3-4, 2021	BOG Meeting

³ The complete corporate bylaws are available [here](#).