

EDAM Resource Adequacy Workshop #7: ROWE Structure and Framework

July 9, 2026

Agenda

- ROWE Structure and Framework
- Timeline and Summer/Fall Workshop Review

Hallmarks of the ROWE

- Independence
- Transparency
- Public Interest Protections

ROWE Bylaws:

The purpose of the Corporation is to provide independent regional governance over certain voluntary energy markets, services, and functions to be operated in the western United States, including, but not limited to the Western Energy Day-Ahead Market and the Western Energy Imbalance Market (collectively “Markets”), which it is authorized to provide from time to time pursuant to the Tariff and other applicable statutes, tariffs, rules, and regulations. The independent governance shall be provided to and for entities and persons operating within the markets, consumers, and affected stakeholders while acting in the public interest, including consideration of the policies of all Participating States.



Evaluation Criteria

1. **Maximized net benefits**, including reliability, affordability and environmental benefits, recognizing startup and ongoing costs, and considering both new benefits and impacts on existing benefits.
2. **Equitable representation** across the Western region and among all market participants, including for a wide range of legal entities.
3. **A governance structure** independent of any single state, participant, or class of participants.
4. **Organizational flexibility** to accommodate future expansion of regional solutions and to create a credible and timely path to a voluntary RTO, including the balancing authority and transmission planning functions.
5. **Optionality** to allow market participants to choose the market services they value.
6. **Preservation** of existing balancing authorities' ability to maintain independence, authority, and governance.
7. **An implementation timeline** that promotes broad market participation.
8. **Respect for state authority to set procurement, environmental, reliability and other public interest policies.**



Development of the Final Proposal

The Launch Committee developed the Final Proposal in 2024 which included:

- 30 stakeholder meetings with 8 topic specific workshops.
- 200+ attendees regularly attended the meetings
- 12 opportunities for the public to submit written comments
- 226 sets of comments filed
- Expert opinions were provided by outside counsel, accountants, FERC staff, staff from the CAISO, and a member of the MISO Board.



Overview of Independent Regional Organization

Regional Organization

Independent Board

Tariff:

- Sole 205 Filing Rights
- Sole authority over provisions related to WEIM and EDAM

Staffing:

- RO dedicated staff
- Advisory input into VP selections that oversee market policies

Organizational:

- Independent RO Board
 - Ultimate authority over market-related BPMs
 - Separate & independent legal entity
- Regular evaluations of CAISO contract performance
- Independent Market Monitor joint reporting structure
- Ability to add voluntary market services for Western entities who request them

Stakeholder Process & Public Interest:

- RO led, market operator supported stakeholder process
 - Body of State Regulators
 - Independent Consumer Advocate Organization
 - RO Office of Public Participation
- RO Market Expert expanded scope to include public interest



ROWE Board Selection Process Schedule

Key Dates 2026	Step in Search Process
July 15	Submittal of Qualified Candidate List to Nominating Committee
August 5	Shortlist determination
August 25, 27, 28, and 31	1st Round Candidate interviews with Nominating Committee.
September 14 and 15	Final Round Candidate interviews with Nominating Committee.
By September 25	Nominating Committee recommends Final Slate of Candidates to Formation Board
By September 30	Formation Board appoints new Board of Directors
October	Board of Directors is seated



Defining the Public Interest

Two intertwined components:

- 1) How customer interests, including affordability and reliability, are safeguarded in non-discriminatory market design and operations; and
- 2) How state and local policies, even as they differ across the West, are respected in market design.

These served as the focus and definition of “public interest” for the Launch Committee and were used to ensure that the Step 2 proposal incorporates public interest protections holistically across the new RO’s structure and processes.



Public Interest (Article IV)

Respecting State Policies and Protecting Consumer Interests

Step 2 Proposal Measures

- Maintain Body of State Regulators and create tariff funding
- Create Stakeholder Representatives Committee
- Create Public Policy Committee of the Board
- Create Consumer Advocate Organization with tariff funding
- Office of Public Participation
- Expanded role of the Market Monitor
- Aim of reducing overall economic cost to customers in Participating States

Respect for State Authority

The Board shall consistently acknowledge and, where practicable, develop tariff changes, rules, or business practices that respect and accommodate Participating States' achievement of state or local policy objectives, including procurement, resource adequacy, environment, reliability, and other consumer interests. The Board likewise shall minimize any adverse impacts of revisions to its Tariff, rules, and business practices on Participating States' policy objectives.



ROWE Body of State Regulators

- Extend the existing BOSR functions to the ROWE
 - The BOSR will continue as an independent advisor to the ROWE on any topic related to the operation of the WEIM or EDAM markets through regular meetings with the ROWE Board
 - The BOSR will maintain its ability to retain market and policy expertise to assess the market and policy impacts of the WEIM and EDAM markets on consumers and state policies.
- Maintain current membership, self-governing and decision-making structures
- BOSR funding will be under the tariff (with a billing determinant that would not subject POUs to these costs)
- Each state represented on the BOSR retains the right to assert its own positions independently to the FERC, the ROWE Board, or to any other entity
- Voting representative on Nominating Committee



Public Policy Committee

- Committee of the ROWE Board tasked with collecting information from states, local power authorities, and federal power marketing administrations about how proposed tariff changes or initiatives could impact the policies of those entities and if there would be “adverse impacts”
 - “adverse impacts” will be determined by those entities
- The Committee would not make a determination of the potential impacts itself, but would share information from states, local power authorities, and federal PMAs with staff running the stakeholder process and SRC for consideration in that process
- The Committee would solicit those entities for input at the end of a stakeholder process to determine if potential impacts still exist and report that information to the full ROWE Board before it takes a vote



ROWE Stakeholder Process



Principles of the Stakeholder Process

- a. Openness – participation open to all persons;
- b. Transparency – transparent to the public;
- c. Consensus building – build and document consensus;
- d. Fair balance of interests – not dominated by a small number of sectors, and respect for minority positions;
- e. Due process – reasonable notice and opportunity to participate and to have views considered; and
- f. Timeliness – getting things done, not bogged down in stalemates
- g. Efficiency
- h. Cost minimization



Elements of the Stakeholder Process

The stakeholder process is the primary function through which the ROWE will exercise its sole authority over market rules.

- Stakeholder Representatives Committee (SRC)
- Classification of Stakeholder Initiatives
 - Compliance/Non-Discretionary
 - Compliance with State and Local Public Policy
 - Discretionary
- Board Public Policy Committee
- Indicative voting and public comment to inform the Board



Stakeholder Representatives Committee (SRC)



Stakeholder Process Phases

- **Issue Identification and Prioritization:**
 - Catalog
 - Proposal Submission
 - Classification
 - Roadmap
 - SRC Roundtable
 - Prioritization
 - Board Consideration
- **Stakeholder Initiative Phase**
 - Issue Evaluation: Refinement of the Problem Statement
 - Policy Development: Identification of Solutions
 - Straw Proposal Development
 - Draft Final Proposal Development
 - Final Proposal Development
 - Board Consideration



Issue Identification: Catalog Development

Initiative Proposal Submission: Initiative proposals can be submitted by any stakeholder. Stakeholders may also work together to create joint proposals that could be submitted by/with the support of multiple entities. Proposal submissions will be posted on the ROWE website.

Triage and Classify Initiatives: Stakeholder initiatives will be classified into three categories: Compliance/Non-Discretionary Initiatives, Compliance with State and Local Public Policy Initiatives, and Discretionary Initiatives. Staff will review the suggested classifications and will retain ultimate decision-making authority on final classification.

Publish Catalog: The Catalog will be a listing of proposals for stakeholder initiatives.

Stakeholder workshop on Published Catalog: Once the Catalog has been posted, staff will facilitate an educational stakeholder workshop that includes stakeholder presentations and an overview of the Catalog, and the upcoming process for prioritization.



Prioritization: Roadmap Development

SRC Roundtable

After the publication of the Catalog, SRC Representatives will work with their sectors to collect feedback and rank initiatives that are of most importance to each sector. SRC representatives will take this information back to the SRC to identify common themes across sectors that are of the most importance to the stakeholder community as a whole. Once SRC representatives collect feedback, they will host a roundtable and publish a report with recommendations to staff on initiative prioritization.

Prioritization Survey

Each registered stakeholder will have the opportunity to submit a survey. The WG declines to prescribe a specific process but opts to provide guidelines for the information collected from each survey: highest priority, urgency, stakeholder resource availability, and opportunity to provide additional comment on their response, classification, and feedback on the process.



Prioritization: Roadmap Development

Draft and Final Roadmap Development

Staff will lead the drafting and development of the Roadmap. Each step will include a workshop, comment period, and indicative vote.

Board Consideration

Ahead of the vote, the ROWE Board will receive a packet of materials that includes:

- The finalized Catalog & Roadmap
- A report from the SRC on the process for developing the Catalog and Roadmap including all indicative voting and the results of the vote on the Final Roadmap.
- Disposition of stakeholder initiatives
- Input from the Public Policy Committee.



Stakeholder Initiative Phase

The Stakeholder Initiative Phase is where stakeholders develop solutions and produce a final proposal for individual initiatives within the Final Roadmap. The Stakeholder Initiative Phase will include the following steps:

1. Problem Statement Development
2. Straw Proposal Development
3. Draft Final Proposal Development
4. Final Proposal Development
5. ROWE Board Consideration

Each step will have a workshop, comment period, and indicative vote. Depending on stakeholder consensus, multiple iterations of stakeholder engagement may be necessary. Prior to Board consideration, the Public Policy Committee will conduct outreach.



Significant Opposition and the Remand Process

Upon completion of the Draft Final Proposal, stakeholders will vote on the initiative before it is sent to the ROWE Board for approval. If the criteria for significant opposition are met, the Board may remand the initiative back to the stakeholders to address the stakeholder concerns and to achieve broader support.

The Step 2 Proposal tasked the stakeholder workgroup with developing a remand process when significant opposition exists. A subgroup of the stakeholder process workgroup has been formed to address this.



Classification: Compliance with State and Local Public Policy

Overview: In some instances, a state or local policy or law may impact a market participant to the extent that a tariff change may be needed to enable that participant's compliance with state or local policy or law. In such an instance, any entity including a state agency representative, BOSR representative, or market participant who may be impacted may propose an initiative under this classification.

- The Public Policy Committee of the ROWE Board will conduct outreach to states, local power authorities, and federal Power Marketing administrations to gather input about whether those entities see potential adverse impacts to their policies.

A separate workstream will cover this topic from proposal submission to Board consideration.



Timeline: 2026

To allow for more collaboration with the goal of developing an Initial Proposal with broad support, the following schedule is proposed:



Timeline: 2027

Dates are approximate; feedback from Initial ROWE Board may result in changes to timeline



Summer/Fall Workshops

July

- Workshop #8, July 16: Value Proposition
- Workshop #9, July 23: Transmission and Compliance

***Comments on July workshops due 8/6**

August

- Workshop #10, **August 11**: Technical Design
- Workshop #11, August 20: Transmission and Governance

***Comments on August workshops due 9/3**

September

- Workshop #12, September 10: Technical Design
- Workshop #13, September 17: Updates on Governance, Technical Design, Transmission, Compliance, and Data

***Comments on September workshops due 10/1**

The issue of how to address data will be included in workshops but the Work Group is still determining timing and where to best incorporate these discussions

Where to find materials



All workshop dates, **zoom links**, and materials are located at:

<https://rowesternenergy.org/regional-resource-adequacy/>



Reach out with questions or comments by emailing:

resourceadequacy@rowesternenergy.org

The ROWE is not a sponsor of the initiative or the initial stakeholder process, but is lending the use of its website for hosting materials.

Open Forum for Discussion



- Please raise your hand to be unmuted
- Announce your affiliation/entity you represent