

Regional Resource Adequacy Governance Update

Programmatic Governance Roles

Role	Entity
Independent Board (RA Tariff)	ROWE
Program Coordinator (Administration & oversight)	ROWE
Program Service Provider	CAISO
Program Assessor	Department of Market Monitoring

Policy & Process Governance Roles

Stakeholder process including the Stakeholder Representative Committee (SRC) from the Pathways Step 2 Proposal, the Technical Review Committee (TRC), and Body of State Regulators (BOSR) and Public Power roles.

Stakeholder Process – Tariff Changes

The main stakeholder process of any RA Program Tariff design would occur through the ROWE Stakeholder Process, consistent with the Pathways Step 2 proposal with slight adjustments to incorporate RA as an additional voluntary ROWE service offering.

The Catalogue and Roadmap process would add two new categories for initiatives:

- Resource Adequacy Compliance Initiatives
- Resource Adequacy Discretionary Initiatives

Tariff initiation has two proposed pathways. First, an issue regarding an RA Program rule that would result in tariff change can be proposed by any stakeholder through the ROWE Catalog and Roadmap process further described in the Pathways Step 2 proposal and the ROWE Board Briefing book.

Second, the TRC can vote to bring a tariff issue for consideration. If the TRC votes by a majority vote to include a matter, the Program Coordinator must include it in any catalogue of RA Issues to be considered for Tariff changes.

The latest draft on the ROWE Catalog and Roadmap process can be found here:

- https://www.westernenergyboard.org/wp-content/uploads/DRAFT-Chapter-8_Stakeholder-Process.pdf

The stakeholder process for RA initiatives would be subject to any working group structures and indicative voting of the ROWE Stakeholder process, including the remand process. The general rules that apply to all ROWE initiatives will apply to RA Issues, unless otherwise specified herein.

In the stakeholder initiative phase, when a Draft Final Proposal is brought to stakeholders for indicative voting it will be also brought to the TRC. The envisioned ROWE remand triggers will apply with one addition - if the TRC does not approve a Draft Final Proposal by a majority vote, this will also result in a remand.

This outline of the RA Program stakeholder process does not specifically address the role of the BOSR and Public Power, which will be developed later in the process.

As with all such processes, it is anticipated that the stakeholder process may evolve to reflect lessons learned once the ROWE has launched.

Technical Review Committee (TRC)

The TRC will serve as the RA Program sector. An RA Program Participant would be defined as a load serving entity (LSE) within a Balancing Authority that is participating in either WEIM or EDAM that voluntarily chooses to participate in the Regional RA Program and has load subject to the RA showing and compliance obligations.

Any Program Participant will be entitled a seat on the TRC (there will be no sectors). A BOSR liaison will have a seat on the TRC as well. The TRC Chair will plan and manage meetings. It is anticipated that the BOSR liaison would not vote on matters in the TRC, but that the BOSR itself would have a separate role in the decisional process utilized for the RA Program. The role of the BOSR will be determined later in the development process.

Meetings of the TRC

There is a presumption that TRC meetings that discuss issues surrounding Tariff initiatives will be open to all stakeholders. A quorum for TRC meetings will occur when more than half of the Program Participants are in attendance. There is a presumption that the data sharing rules of the ROWE would apply, with particular attention to confidentiality rules surrounding compliance status of individual Program Participants given the commercially sensitive nature of that information. There may be information on market analytics or other issues that may require closed executive sessions of the TRC. However, they are

anticipated to be the exception, not a routine occurrence, and cannot be convened for mere convenience. The following principles summarize the proposal in this regard:

- The meetings of the TRC will be generally open to all stakeholders.
- Advanced notice of the date, time, location, and an agenda will be published.
- All TRC decisional items will be placed in any open meeting agenda and allotted adequate time for public comment and deliberation.
- Executive sessions of the TRC may be initiated if there is discussion of commercially sensitive issues as determined by the TRC Chair. However, no action on any Tariff or BPM can be taken by the TRC in executive session.
- The BOSR liaison may attend the TRC executive session under confidentiality provisions applicable to all the TRC members.
- The TRC will provide a written public agenda for any executive session to indicate the general topics discussed.

Body of State Regulators (BOSR)

- To appropriately scope the role of the BOSR, better definition and further development of the RA program scope and structure is needed.
- The RA Sponsors are working with BOSR representatives to develop an appropriate oversight role for the BOSR, including the role of public power.

Business Practice Manuals

The ROWE Stakeholder Process is not intended for market BPM creation and changes and similarly a different process for RA BPMs is contemplated; the development of BPMs would be spearheaded by Program Coordinator staff and the TRC. The TRC would work to develop draft BPMs with the Program Coordinator Staff. As the program matures, it is envisioned that the Program Coordinator would manage the BPM process much like they do with the markets today. As the program is developing the initial BPM, the TRC and other stakeholders will need to provide technical feedback in order to support program implementation.

The ROWE Board has the ultimate authority to resolve disputes about any RA-related business practice manual (BPM) that carries out a tariff provision under RO sole authority. ROWE staff, as program administrator, would likely continue to administer the day-to-day, or week-to-week, process of developing potential changes to BPMs.

Additionally, temporary or standing work groups consisting of stakeholders that are not TRC members (including other market participants such as independent power producers) may be created for technical topics that have significant impacts to other stakeholders. This will allow for the TRC to collaborate with such stakeholders prior to the more formal public review and comment period.

Once the BPM reaches a Final Draft stage, the BPM would be submitted for comment and review through a public stakeholder process. Given the technical nature of the BPMs and the requirement that they follow FERC-approved tariff parameters, the full ROWE stakeholder process would not apply to BPMs, but a standing work group would provide an opportunity for fulsome participation from other market participants and stakeholders to help shape the BPMs. Changes to BPMs happen frequently and the full ROWE initiative stakeholder process could cause needless delays.

Public review and comment would continue to be provided, as well as an appeals process, similar in structure to that utilized by the CAISO for its BPMs today. However, as the ROWE Tariff and process have yet to be developed, we expect continued evolution of this framework consistent with ROWE's development of this process under their administration.