Request for Comments on Principal Place of Business
REGIONAL ORGANIZATION FOR WESTERN ENERGY, INC.
October 27, 2026

Submitted by	Organization	Date Submitted
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Energy Division Staff (ED Staff or Staff) of the California Public Utilities Commission (CPUC) develops and administers energy policy and programs to serve the public interest, advise the CPUC, and ensure compliance with CPUC decisions and statutory mandates. ED Staff provides objective and expert analyses that promote reliable, safe, and environmentally sound energy services at just and reasonable rates for the people of California.[1] Further, ED Staff advocate on behalf of California ratepayers at the Federal Energy Regulatory Commission (FERC), under whose jurisdiction the California Independent System Operator (CAISO) tariff and future ROWE tariff will fall.

ED Staff appreciate this opportunity to comment and suggest ROWE consider strategic and objective metrics along with a principal place of business near CAISO, at least in the interim during a transitionary period, in order to reduce costs for end-use customers.

1. What decision criteria should be used to determine the ROWE principal place of business?

ED Staff generally support the decision criteria ROWE has identified. Each reflects a legitimate consideration, and when appropriately weighted, these factors can be used to select a principal place of business that serves the public interest while minimizing overall costs to end-use customers.

During the initial implementation period, ED staff believe operating costs, operational proximity to CAISO, and share of market presence are particularly important criteria that should be given greater weight than other criteria. As ROWE notes, the two organizations "will initially be strongly interdependent," with ROWE relying on CAISO for market operations, stakeholder support, and other key assistance.[2] A location near CAISO would support that coordination while limiting start-up costs, which are ultimately borne by ratepayers across the region. A location that reflects where most of the market's customers are served would also keep ROWE close to the load and stakeholders most affected by its decisions.

ED Staff also recognizes that institutional independence and regional neutrality are important to ROWE's long-term credibility. An interim location selected for cost and coordination would not compromise those goals. ROWE's independence is grounded in its bylaws, its governance framework developed through the Pathways Initiative, and the actions of its Board of Directors. ROWE may determine later to further reinforce this when it selects a permanent location.

[1] More information about the CPUC Energy Division is available at: https://www.cpuc.ca.gov/about-cpuc/divisions/energy-division.
[2] ROWE, Request for Comments on Principal Place of Business, "Potential Decision Criteria: Operational proximity to CAISO".

2. What metrics should be used to assess a location's value against each criterion?

ED Staff recommends the following metrics, many of which are proposed by the ROWE. Unless the ROWE expects to hire a consultant to perform an in-depth study of the labor market, the ROWE may wish to consider evaluating only metrics that are strategic and objective instead of an exhaustive list of metrics.

- *Operational proximity to CAISO:*
  - Typical travel time between the proposed headquarters location and CAISO headquarters
  - Distance via roadways and transit routes
- *Travel ease and cost:*
  - Annual passenger boardings as reported by the FAA and other publicly available data
  - Number of nonstop flights from major Western cities to the proposed headquarters location
  - Frequency of nonstop service
  - Average travel times
  - Average travel costs
- *Workforce:*
  - Depth and diversity of the metropolitan labor market
  - Workforce educational attainment levels
  - Availability of professionals with experience in governance, law, finance, accounting, engineering, information technology, utilities, and wholesale electricity markets
  - Employment concentrations in relevant professional and technical occupations
- *Operating Costs:*
  - Availability of existing or shared office space that could reduce start-up costs
  - Commercial office lease rates
  - Business operating costs
  - Average compensation levels for relevant occupations
- *Market presence:* Given the ROWE's focus on public interest, this criterion should be evaluated based on the percent customer load and number of customers served represented in the EDAM markets based on expected participation through 2028.
- *Legal and regulatory environment:*
  - Existence and strength of state consumer protection statutes
- *Institutional independence/regional neutrality:* ED Staff recognizes that institutional independence and regional neutrality are important considerations in the selection of a principal place of business. The extent to which a headquarters location may affect perceptions of independence or neutrality is difficult to measure objectively. Because ROWE's governance structure is not organized on a regional basis, ED Staff has not identified objective metrics that would allow institutional independence or regional neutrality to be consistently compared across candidate locations.

3. How should the criteria be weighted?

ED Staff recommends giving the most weight to three criteria: operating costs, operational proximity to CAISO, and market presence.

Operating costs. As outlined in the Briefing Book, ROWE's early priorities will be developing its tariff, standing up stakeholder processes, and building organizational capacity in a sustainable manner.[3] The Briefing Book also directs the Board to consider "the limited funding available during the startup period."[4] A location that keeps start-up and operating costs low, including by making use of existing office space, would allow ROWE to direct its resources to the work needed for a successful launch, as well as keep costs down for ratepayers who ultimately bear these costs.

Operational proximity to CAISO. ROWE will rely on CAISO for support for many functions and expertise, including dedicated CAISO staff to support its stakeholder processes at launch. Locating near CAISO would make that working relationship more efficient and reduce travel burdens and costs for staff and stakeholders who work with both organizations.

Market presence. ROWE has identified market presence as "the degree to which the host state is represented within the regional market," including "customers served," as a decision criterion. ED Staff recommends weighing this criterion more heavily because the customers who pay their energy bills bear the cost of energy market sales and should be fairly represented in ROWE decision making. California BAAs are expected to represent approximately 64% of EDAM load by 2028, and the CAISO BAA alone represents 52%.

While the other criteria remain important, ED Staff recommends weighing the remaining criteria less heavily than these three, particularly during the initial implementation period. As discussed above, institutional independence and regional neutrality remain important and are not diminished by an interim location chosen primarily for cost and coordination.

4. Among the locations listed above, does your analysis suggest a preferred location or an unacceptable choice and, if so, what factors support this assessment?

ED Staff recommends that ROWE establish its principal place of business in Folsom, California, during the initial implementation period and defer selecting a permanent location until its organizational structure and the market are more settled. ROWE's governance tariff, CAISO's integrated tariff, the Coordination Agreement with CAISO, and related FERC filings remain under development. ROWE also has not hired its executive leadership or fully evaluated the scope of its future responsibilities. In addition, the EDAM footprint continues to evolve, with most BAAs that have signed participation agreements not expected to enter the market until 2027 or 2028. These developments will shape ROWE's long-term staffing, space, and operational needs. An interim Folsom location would allow ROWE to focus its resources on tariff development and other launch priorities while postponing a permanent decision until those needs are clearer.

The following criteria and factors support Folsom as an interim location:

- *Market Presence.* Table 1 lists the BAAs that have signed agreements to join EDAM, their expected start dates, and each BAA's share of total expected EDAM load in 2028. Five of the ten are California BAAs, and together represent approximately 64% of expected load. The CAISO BAA load alone represents 52% of expected EDAM BAA load in 2028. A location in Folsom, California would place ROWE within the state whose customers make up the majority of the market share. In addition, several participating utilities are regulated by commissions located in California or neighboring Western states, including Nevada and Oregon (which make up ~14% of EDAM). As a result, a location in Northern California may reduce travel burdens and facilitate engagement with entities representing a significant share of the customers and load served

[3] Pathways Launch Committee, *ROWE Board Briefing Book* (Sept. 30, 2026).
[4] *Id. At 38.*

through EDAM. While participating EDAM BAA's may change over time, the initial list of participants (reflected below) supports the initial principal place of business in California until a more geographically distinct list of participants and operational requirements necessitates a large investment in new capital expenses.

#	ID	Name	Region	Date Signed	Exp. Op. Date	GWh Load*	% of total
1	CISO	California ISO	California	2024-04-25	2026-05-01	210,008	52%
2	PAC	PacifiCorp East and West	Basin+Northwest	2024-04-25	2026-05-01	73,168	18%
3	PGE	Portland General Electric	Northwest	2024-06-28	2026-10-01	21,833	5%
4	BANC	Balancing Authority of Northern California	California	2022-11-24	2027	17,036	4%
5	LADWP	Los Angeles Department of Water and Power	California	2025-01-13	2027	23,993	6%
6	TIDC	Turlock Irrigation District	California	2025-05-19	2027	2,795	1%
7	IID	Imperial Irrigation District	California	2025-05-22	2028	3,760	1%
8	PNM	Public Service Company of New Mexico	Southwest	2025-07-01	2028	14,668	4%
9	BHEM	BHE Montana (generation-only)	Rockies	2026-08-05	2028	0	0%
10	NEVP	NV Energy	Southwest	2026-09-16	2028	37,908	9%
					California Footprint Total	257,592	64%
					Total EDAM 2028	405,169	100%

** Using 2023 NERC Net Energy Load*

- *Operational proximity to CAISO.* A location in Folsom, California, at least during a transitional period, would allow both CAISO staff that provide support for in-person meetings and stakeholders participating in meetings to travel to one location for meetings. It would also support the proposed market oversight structure. The Department of Market Monitoring (DMM), which is housed at CAISO, would report to both the ROWE and CAISO Boards. Both ROWE and CAISO Board members would sit on the DMM Oversight Committee, and the two organizations would share resources supporting DMM's work. The Market Surveillance Committee would likewise advise both Boards. As ROWE builds staff to oversee the services CAISO provides, that oversight would also be easier with the two organizations in close proximity.

- *Operating Costs.* Leveraging the existing significant sunk costs into infrastructure at CAISO headquarters in Folsom could help the ROWE reduce operating costs during initial years of ROWE development. CAISO headquarters is a modern, purpose-built facility completed in 2011 that encompasses approximately 278,000 square feet of office, meeting, training, and mission-critical operational space. The purpose-built facility was designed to support California's wholesale electricity markets with significant physical security and the campus currently serves as the operational center for EDAM market administration. CAISO reported 733 employees at year end of 2024[5] and budget for 790 positions in its 2026 budget[6], reflecting the continued growth in staffing and infrastructure needed to support EDAM implementation and market operations. As reflected in its 2026 budget outlook, CAISO's O&M budget increased by approximately $14.3 million, to $290.3 million, driven in part by new EDAM-supporting positions, higher software-as-a-service costs, increased telecommunications expenses, and changes to hardware support licensing.[7] As EDAM implementation continues to require

[5] CAISO Five Year Financial Summary Microsoft Word - CAISO2024_5yearsummaryfinal (atp.1)
[6] CAISO Board of Governors Presentation 12/18/2025- Decision on 2026 Budget- decision-on-2025-budget-presentation-dec-2025.pdf (at p.4)
[7] CAISO Board of Governors Presentation 12/18/2025- Decision on 2026 Budget -decision-on-2025-budget-presentation-dec-2025.pdf (at p.3&4)

investment, ED Staff believes ROWE should consider opportunities to avoid unnecessary duplicative expenditures. To the extent that ROWE can leverage existing facilities during a preliminary phase, especially for in person meeting space and activities requiring large amounts of physical or cybersecurity or shared services, it may be able to reduce start-up costs and administrative expenses, ultimately benefiting all end users of EDAM.

- *Workforce.* Folsom is in Sacramento County, California. As the capital city of California and the home of the legislature and the state government, Sacramento has a robust workforce of professionals with experience in government. Like other similar metropolitan cities, there are also likely to be a high availability of professionals in law, finance, accounting, engineering, and information technology. The area attracts utility professionals in Sacramento and surrounding counties that work at Pacific Gas and Electric, the State Government and the CPUC, and the Sacramento Municipal Utilities District. Further, as the ROWE builds capacity and takes on more responsibility that was previously assigned to CAISO as a vendor, the ROWE may need to hire former CAISO staff with institutional knowledge. Over the long-term, some of the Folsom-workforce may be able to relocate to another principal place of business; however, the existing CAISO location with access to the existing workforce should be workable in the near term and the location or location(s) for the principal place of business could always be revisited once the footprint of the ROWE and the ROWE tariff itself is more clear.
- *Travel ease and cost.* Sacramento International Airport is between 33 to 39 miles and an approximately 50-minute drive from the CAISO headquarters in Folsom, California, depending on the route taken. Nonstop flights to Sacramento are available from several major metropolitan areas represented by current and expected EDAM participants, including Boise, Idaho; Denver, Colorado; Las Vegas, Nevada; Phoenix, Arizona; Portland, Oregon; Salt Lake City, Utah; and Seattle, Washington. Most of these metropolitan areas are connected to Sacramento by direct flights of approximately two hours or less, and airfare can often range from approximately $100 to $300 roundtrip.[8] In addition, a Folsom location provides convenient access to several California-based balancing authorities expected to participate in EDAM, including BANC, LADWP, Turlock Irrigation District, and Imperial Irrigation District. The availability of both direct air service and convenient ground transportation may reduce travel burdens and facilitate stakeholder participation by regulators, utilities, and other interested parties representing a significant share of current and expected EDAM load.
- *Legal and regulatory environment.* Because any state that houses both market participants and the ROWE can be perceived as impartial, an objective measure is a state's consumer protection laws. California has some of the strongest consumer protection laws in the country. Having the ROWE, a non-profit corporation, located within a state with such strong consumer protection laws is consistent with the ROWE's core interest. Further, given that at least approximately 64% of EDAM load will be represented by California end-use customers by 2028, CAISO's role as a vendor to the ROWE, and ROWE's initial dependency on CAISO staff, California is an appropriate and convenient location for entities that warrants California being the legal venue for a dispute. Accordingly, the ROWE's principal place of business should be in California.

[8] Dependent on the route, season, and booking window