

DOCKETED

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Greenlining Institute Comments on Regional ISO Governance Proposal

Additional submitted attachment is included below.



July 7, 2016

California Energy Commission
1516 9th Street
Sacramento, CA 95814

Re: Greenlining Institute Comments on *Proposed Principles for Governance of a Regional ISO*

The Greenlining Institute (Greenlining) appreciates the opportunity to provide comment on the *Proposed Principles for Governance of a Regional ISO* (Governance Proposal or Proposal), issued June 9, 2016 by the California ISO. The Greenlining Institute is a research and advocacy organization dedicated to advancing economic opportunity and empowerment for people of color. We seek to build a nation in which communities of color thrive and race is never a barrier to opportunity. Issues of environmental justice and economic inequity are central to our work.

Preservation of State Authority

Maintaining the Balance Between ISO and State/Local Authority

Greenlining appreciates the that the Governance Proposal would preserve state jurisdiction over matters currently regulated by states, including procurement policy, resource planning, CPCN approvals, and siting. The Proposal also recommends that the ISO would be prevented, through its by-laws or other corporate governing documents, from “adopting any policy that would diminish or impair state or local authority” over the matters explicitly reserved for state or local authority.

However, the proposal does not indicate whether a mechanism for recourse would be available in the event that the ISO does take an action that impedes or diminishes state authority in these areas. Greenlining recommends that such a mechanism be set forth at the outset, to provide all potentially participating states with assurances that they will be able to remedy any problem that might arise. Greenlining further submits that either a state, an ISO stakeholder, or a public participant should be able to raise such a concern through the established mechanism. Finally, Greenlining recommends that the final decision on whether the ISO has taken an action that impedes or diminishes state authority, and on any appropriate remedial action, should be made by the body of state regulators.

Process for Changes to Bylaws or Corporate Governing Documents

The Proposal suggests that the bylaws or other corporate governing documents for the new regional ISO could only be changed by “both unanimous approval by the ISO Board and approval by the new body of state regulators.” However, as written, it is unclear whether such a change would require the unanimous support of the body of state regulators, as would be required from the ISO Board, or the standard body of state regulators vote proposed in Section 7, namely a majority of members as well as a majority of load. Greenlining urges CAISO to clarify its intent here, and recommends that changes to the bylaws or governing documents for the regional ISO should require approval by unanimous vote of both the ISO Board *and* the body of state regulators.

Transitional Committee of Stakeholders

The Governance Proposal would establish a transitional committee of stakeholders, to be appointed by the current ISO board, that would implement the governance changes necessary to expand the current ISO. Greenlining strongly urges that there be a transparent public process for stakeholders and advocates to recommend candidates to the ISO board for their consideration. Especially given that the Proposal would charge the transitional committee of stakeholders with considering stakeholder participation, processes, and the possibility of funding for consumer advocates (as set forth in Section 8 of the Proposal), it is critical that stakeholders and advocates be able to, at a minimum, provide input on who should comprise the transitional committee.

Composition of a Regional ISO Board

The Governance Proposal includes provisions for a new process for nominating and approving regional ISO Board members, and states that the new process will include “a role for states in the nomination or approval process.” Greenlining submits that there is a significant difference between nomination and approval of ISO Board members, and requests that CAISO clarify its proposal for state involvement in board member nominations as well as for state involvement in candidates’ approval. Greenlining recommends that there be a clear and central role for states in both aspects of the process.