

Governance Design Team Comment Form

1. Name: *Meredith Aitken*
2. Please provide the name of your organization: *Powerex Corp.*
3. What stakeholder interest(s) do you represent?

- Independent Power Producer
- State Regulator
- Public Interest Organization
- Cooperative
- Municipal
- Federal Agency
- Investor Owned Utility
- Other

4. What governance option do you prefer?

- Option 2A only
- Option 2B only
- Option 2A with 3
- Option 2B with 3
- Need more information to determine
- None of the above

5. Why do you support the option you chose?

As came out of the working group discussions during the stakeholder meeting on March 29 in Phoenix, the Markets+ Independent Governing Body in Option 2A has strong support as the preferred, inclusive and durable way to ensure fair and equitable outcomes for all participants.

Option 2A will be completely independent from any entity, group or sub-region's interests to ensure fair and equitable outcomes.

MARKETS

Not only will Option 2A achieve independent decision making through the Governing Board, but it will also enable more robust discussion and review to take place in the Markets+ Participants Executive Committee (MPEC) as the final committee to inform the Markets+ Independent Governing Body. Further development of the model (e.g., definition of a market participant, other committees, specific role for states and PIOs, decision making processes. etc.), will be needed, but should be achievable as demonstrated by similar efforts undertaken for the WRAP governance framework. In addition, details related to the “with 3” option will similarly be needed to accommodate inclusiveness and representation of the Markets+ footprint within the existing SPP governance framework, particularly at the Board level. Such details may include a requirement that there be a Markets+ Seat on the SPP CGC and modifications to the SPP Independent Board Qualifications to include some (perhaps two) Board members having substantive western grid experience and knowledge. However, these changes but should be limited (and thus hopefully more acceptable to SPP’s existing members) as a result of (1) the distinct Markets+ Independent Governing Body with delegated authority over decisions specific to Markets+ under Option 2A with 3, and (2) the fact that the existing SPP Independent Board and SPP staff are fully adhere to the principle of independence.

6. Are there other governance options or elements that you would like us to consider?

These responses to the questionnaire assume this is a preliminary scoping effort that will require further iterative process to refine the areas that are interrelated (e.g., voting structure is affected by who should be included on a committee etc.).

In addition, the responses that committees should meet publicly assume each will reserve the right to have private meetings with a well-defined process to address certain topics that are sensitive in nature and do not require public input.

MARKETS

7. Under Option 2A, should the Market Participant Executive Committee primarily meet publicly or privately?

- Publicly
- Privately

8. Under Option 2A, what should the voting structure be for the Market Participant Executive Committee?

- Load (House)
- One vote per entity (Senate)
- Load and one vote per entity (House and Senate)
- Other

9. Under Option 2A, who should be included in a Market Participant Executive Committee?

- Market participants only, including IPPs/non-LSEs if participating in the market
- Market participants and other stakeholders

10. Under Option 2B, should the Market Participant Executive Committee primarily meet publicly or privately?

- Publicly
- Privately

11. Under Option 2B, what should the voting structure be for the Market Participant Executive Committee?

- Load (House)
- One vote per entity (Senate)
- Load and one vote per entity (House and Senate)
- Other

12. Under Option 2B, who should be included in a Market Participant Executive Committee?

- Market participants only, including IPPs/non LSEs if participating in market
 Market participants and other stakeholders

13. Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.

If the Market Participant Executive Committee is the final decision authority for Markets+ before items go to the SPP Independent Board, the voting structure will require careful review to make sure the outcomes will be fair and equitable for all participants. It may also require additional changes to the existing SPP framework (i.e., "with 3") as the SPP Independent Board will likely need to address additional Markets+ topics and weigh in on final decisions under an Option 2B framework. It is preferred instead to define the role of the Market Participant Executive Committee to guide priorities and recommend design updates to the Markets+ Independent Governing Body.

14. Should the Working Group primarily meet publicly or privately?

- Publicly
 Privately

15. What should the voting structure be for the Working Group?

- Load (House)
 One vote per entity (Senate)
 Load and One vote per entity (House and Senate)
 Other

16. What, if any, permanent task forces should the Working Group establish?

MARKETS

A technical task force with sector-based representation to provide expertise on detailed market topics will serve to develop proposed solutions and document recommendations before they move forward to the Market Participant Executive Committee. A technical working group will be key for incorporating suggestions from the public process and for developing recommendations.

17. Please provide any other comments on the Working Group that you would like us to consider.

This group could meet primarily in closed meetings for its working sessions and in public meetings only as needed for the public comment process.

18. What should the qualifications be of members of the Markets+ Governing Board?

The overall composition of the Markets+ Governing Body should have diversity in expertise drawing from the electric industry, regulatory, legal and financial specializations. Geographic diversity should also be considered in the final selection.

19. What should be the term for serving on the Markets+ Governing Board?

- Three Years
- Four Years
- Five Years
- Other

20. Should the Markets+ Governing Board primarily meet publicly or privately?

- Publicly
- Privately

21. Do you support the Markets+ Governing Board being transitional (i.e. phase out after an initial period)?

MARKETS+

It is preferred that the Markets+ Governing Body be established indefinitely. The Markets+ Governing Board could potentially be dissolved at some point in the future, if the broad western region determines that a modified governance framework without a Markets+ Governing Body is preferred.

22. Please provide any other comments related to the Markets+ Governing Board that you would like us to consider.

It is recommended that the first Markets+ Independent Governing Body be seated with staggered term lengths.

23. What sectors should be represented on the Markets+ Governing Board Nominating Committee?

The sectors need to be representative of the footprint and inclusive. The Western Resource Adequacy Program sought to achieve balanced sector representation and the sectors could be proposed similarly.

24. Should the Markets+ Governing Board Nominating Committee primarily meet publicly or privately?

Publicly
 Privately

25. For all committees and work groups, what should be the requirements to meet privately?

The committees and work groups should have the right to meet privately to discuss sensitive matters and non-decisional items when public input is not required. The private meetings would be limited to the group members as defined further within the governance framework. The notification requirements (e.g., written notice of date, time, purpose of the meeting) will be defined in advance and kept at a high level for closed sessions.

MARKETS+

26. What process would you like to see for modification of Markets+ governance?

Modification of Markets+ governance should require some form of a super-majority of the different committees, and provide opportunity for exit if the change is substantive

27. How often would you like to see a review of Markets+ governance framework?

- Every Three Years
- Every Five Years
- Other

28. Under either Option 2A or 2B, the SPP board of directors will provide independent oversight of Markets+. The SPP Board has an existing policy that would allow actions by the ultimate authority for Markets+ governance structure to be placed on the consent agenda unless a Markets+ Participant or Markets+ stakeholder requests that the item be moved to the regular agenda for an individual vote by the SPP board of directors. Are you supportive of the "consent agenda" concept?

- Yes
- No
- If no, why?
- Any other comments related to the "consent agenda" concept?

29. Which stakeholders should be financially responsible for costs to implement and operate Markets+?

- Market Participants Only
- All Stakeholders
- Any other comments related to financial responsibility for costs to implement and operate Markets+?

MARKETS

Some modest costs assigned to other stakeholder committees should be considered to ensure that entities that participate have incentives to attend and be productive.

In addition, there should be significant cost savings for both the Markets+ footprint and SPP's RTO membership through economies of scale to the extent that software, processes, staffing, etc. can be leveraged for both markets.

30. What process would you like to see to appeal actions by the ultimate authority of Markets+ to SPP's board of directors under either Option 2A or 2B?

To the extent possible, it will be beneficial for a robust process within the committees and Markets+ Independent Governing Body to minimize the need for, and frequency of, appeals to the SPP Independent Board. Option 2A may have fewer appeals than Option 2B. It will also be beneficial for the SPP Independent Board to have sufficient knowledge of the western grid to address any appeals to achieve fair and equitable outcomes. For this reason, it is anticipated there will be some additional modifications to the SPP By-laws and/or SPP CGC composition under the "with 3" model.

31. Please provide any other comments regarding Markets+ governance framework.

Governance for Markets+ will benefit from the existing independence of the SPP Independent Board and SPP staff, while also establishing a western focused framework for committees and processes. We appreciate the work done to date by the Governance Design group and look forward to refining the framework further.