

Appendix A – RTO Governance

A Comparison of ISO Governance Structures in the US

	PJM	Midwest ISO	California ISO	New York ISO	ISO New England
Board Composition	Independent Board of Managers – President and 7 independent & unaffiliated members.	Independent Board of Managers – President and 7 independent members.	Board of five governors – one assumes no affiliation with industry (see history below in comments).	Ten person Board of Directors, no affiliation with Market Participants.	A ten person Board of Directors, incl. President and CEO; no affiliation with Market Participants.
Board appointment	Elected by members committee, independent consultant develops slate.	Members elect Board of Directors – members are comprised of paying market participants.	Appointed by the State Governor, confirmed by the California Electricity Oversight Board.	Self-renewing Board.	Self-renewing Board.
Advisory committee or (equivalent)	Called a <u>Members Committee</u> – derived from five sectors weighted equally: <ul style="list-style-type: none"> · Generators · Transmission owners · Suppliers/distributors et al · Other suppliers (public/municipal power) · End users 	<u>Advisory Committee</u> has 14 members: <ul style="list-style-type: none"> · Transmission owners · Municipal, cooperatives or transmission-dependent utilities · Independent power producers and exempt wholesale generators · Power marketers · Eligible end-use customers · State regulatory One representative from <ul style="list-style-type: none"> · Public consumer groups · Environmental groups or other stakeholder groups. 	Regular Committees include two Board members plus ISO members and have many of the powers accrued to the Board of governors. Both Executive and Advisory committees exist. <p>Advisory Committees (there are more than one) “have no legal or expressed authority to act for the Corporation, but shall report their findings and recommendations to the Governing Board ...”</p>	Called a <u>Management Committee</u> <p>“All Parties to the NYISO Agreement (both Public Interest Groups and Market Participants) will have voting representation on the Management Committee”</p> <p>– Public Interest Groups have 6.5 % of the total vote</p>	<u>Advisory Committee</u> has 20 to 25 members - a broad spectrum of interests, including: <ul style="list-style-type: none"> · New England state regulatory · NE residential consumer · NE commercial or industrial consumer · Environmental · Public Interest · Municipal Government · NEPOOL Market Participants · Economic · Engineering · Academia

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Advisory Committee – how appointed	<p>Determined by the overall five sector membership in PJM.</p> <p>PJM Membership determined as market participants who pay the yearly dues/fees</p>	<p>The Committee is self-renewing and votes in new members from each sector.</p> <p>MISO Membership determined as market participants who pay the yearly dues/fees</p>	<p>Appointed by the Board - the Board shall ensure that the composition of the committee reflects the broad range of entities representing all Classes that express interest in participating in that committee.”</p>	<p>Determined by membership within NYISO – divided within five sectors including public interest groups– <i>weighted voting though.</i></p>	<p>Members of the Committee are appointed by the Board of Directors.</p>
Role of Advisory Committee	<p>“Advice and recommendation to PJM Board”</p>	<p>“The Advisory Committee is intended to be an informational forum for the Midwest ISO's members to advise the Board on policy issues.”</p>	<p>The “Advisory committees have no legal or expressed authority to act for the Corporation, but shall report their findings and recommendations to the Board”</p>	<p>Shared governance with Board</p> <p>- FERC July 12 order to NYISO said these committees must be advisory but it is not yet at NYISO</p>	<p>“To provide information, feedback and assistance to the Board on matters related to the operation of the wholesale electricity markets in New England.”</p>
Advisory Committee – oversight of Board?	<p>No – see above</p> <p>However, they do ELECT the Board</p>	<p>No – “neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or the Midwest ISO.”</p> <p>However the overall membership ELECTS the Board</p>	<p>No – see above</p>	<p>“Shared governance” i.e. items are filed two ways: Management Committee and Board file together or Board files unilaterally. Filing takes effect only if Mngment Committee concurs within certain time frame.</p> <p>- Develops recommendations for the Board and prepares budgets for Board review and approval.</p>	<p>No - The Advisory Committee shall not have <i>oversight responsibilities</i> with respect to decisions of the ISO Board but rather shall serve as an information resource to the Board and a vehicle to provide the viewpoints of a broad spectrum of parties with an interest in the NEPOOL Market</p>

Advisory Committee – oversight of other entities?

Comments

	PJM	Midwest ISO	California ISO	New York ISO	ISO New England
	Yes - the Members Committee also “reviews and decides upon all major changes and initiatives proposed by the Planning, Energy Markets and Operating Committees.	Yes - a policy Subcommittee, which reports to the Advisory Committee.	No – all committees have two representatives from the Board in their membership. Advisory committees have obligation to report to Board.	The Management Committee will supervise and review the work of all other NYISO committees	Most committees actually exist in NEPOOL. For the past year and a half, a member of the ISO who is responsible to the Board now chairs each of these.
	<p>If a proposal comes through one of the smaller committees, it seems it can be nullified by the Members committee prior to anything coming forth to the Board</p> <p>There is a “safety valve” in which a working group or committee can go directly to the Board (with certain limitations).</p>	Members have the right to stand for election to the Advisory Committee, representing one of the eight stakeholder groups.	<p>Until January 2001, the CA ISO was governed by a Board representing various stakeholders participating in the electric utility industry. Virtually all of the Company’s transactions were executed with organizations that were represented on the Company’s Board, including the three CA IOUs.</p> <p>Both the Oversight Authority and the Governing Board may appoint “advisory representatives” who may represent other stakeholder interests or are relevant entities.</p>		Participation by non-members before the Advisory Committee is permitted when specifically allowed by the chairman.