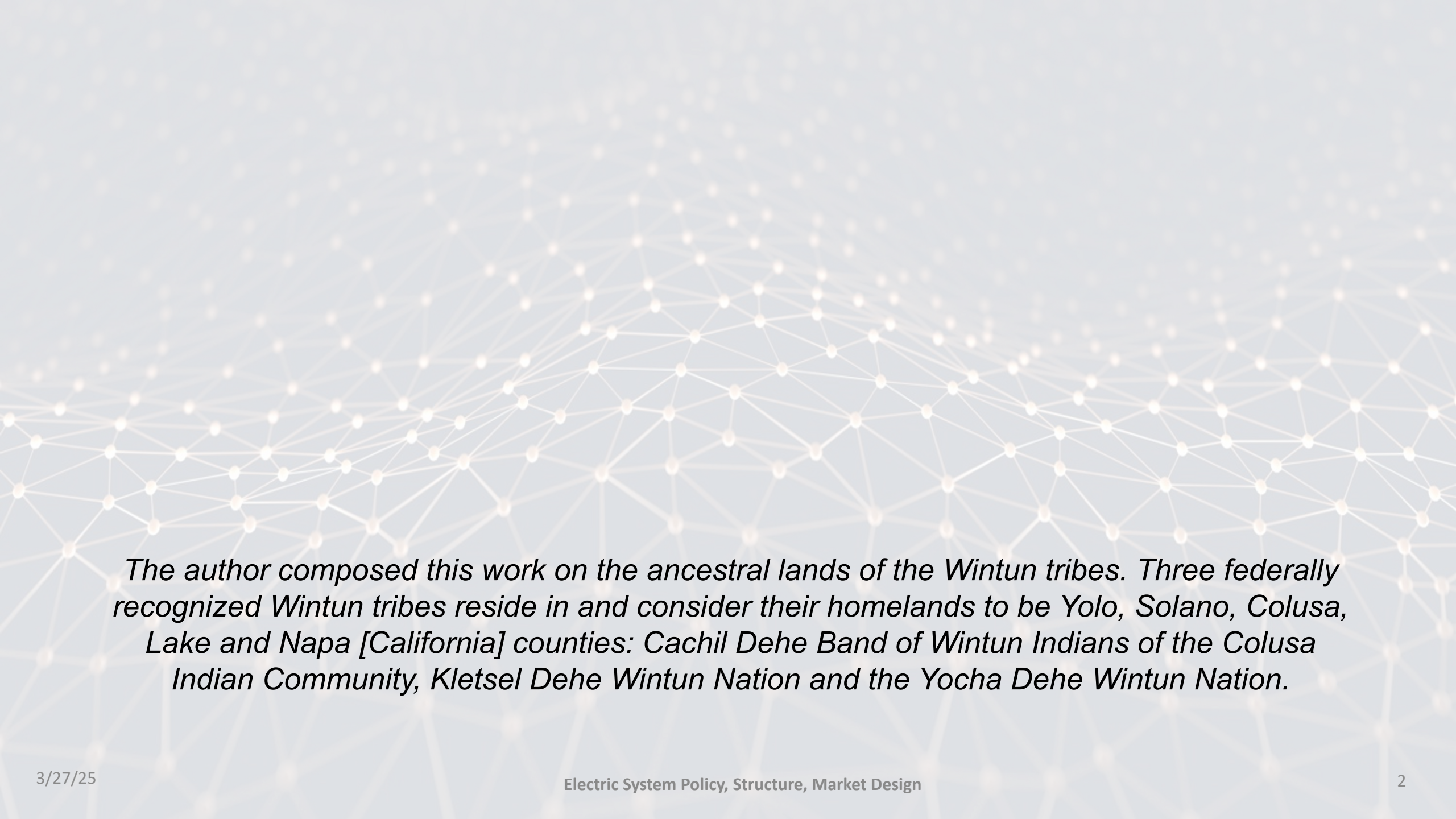


CA Senate Bill 540 — Pathways Initiative

CAC Discussion — Part 2

Valley Clean Energy – Community Advisory Committee Meeting
March 27, 2025

Lorenzo Kristov, PhD, Principal Market Architect
Electric System Policy, Structure, Market Design



The author composed this work on the ancestral lands of the Wintun tribes. Three federally recognized Wintun tribes reside in and consider their homelands to be Yolo, Solano, Colusa, Lake and Napa [California] counties: Cachil Dehe Band of Wintun Indians of the Colusa Indian Community, Kletsel Dehe Wintun Nation and the Yocha Dehe Wintun Nation.



Part 2

Personal Thoughts & Questions

T & Q

1. What exactly is SB 540 doing that doesn't already exist?

- With WEIM in operation for 11 years & EDAM starting in Spring 2026, there will be DA & RT western markets, which are the core of CAISO's market structure. SB 540 & the RO do not add any new market functionality.
- WEIM + EDAM have WEM Governing Body, separate from CAISO Board, & CAISO has filed at FERC to expand WEM's Section 205 authority (decision expected 3/31). SB 540 & RO do not seem to be about expanding authority over market rule changes.
- Perhaps the key difference involves the structure & formation of RO versus WEM Governing Body? Needs further investigation.
- Pathways Initiative documents indicate the goal (Step 3) is to create a western RTO, which would move ALL CAISO functions into the regional entity.
- SB 540 does not authorize CAISO & CA parties to join a western RTO.
- <https://www.caiso.com/documents/nov-22-2024-tariff-amendment-pathways-step-1-er25-542.pdf>

T & Q

2. Why the urgency of SB 540?

- EDAM starts in Spring 2026 — why not observe EDAM performance for awhile before deciding next steps?
- Perhaps urgency is coming from fear of SPP expansion in the west? Is that fear a good reason to proceed quickly?

“The times are urgent: let us slow down.” — Bayo Akomolafe

- Some proponents assert that if California doesn't make this move now, most of the western BAs will join SPP and California will be all alone. What exactly does that mean or imply? The western region is electrically interconnected; inter-BA trade has been active & large for decades & will continue. What specific outcomes should we be concerned about?

T & Q

3. Financial benefits to California

- Brattle study estimates greatest financial benefits to CA occur if most western BAs join the CAISO-operated market. But one big western actor — Bonneville Power Authority — decided to join SPP's Markets Plus, so maximum benefits unlikely.
- <https://www.energy.ca.gov/event/workshop/2025-01/iepr-commissioner-workshop-regional-electricity-markets-and-coordination>

4. Western regional emissions

- Brattle study indicates western emissions increase under a two-market western scenario
- If we follow the money, why is a utility with 20+ coal plants (PacifiCorp) enthusiastic about a market system that's supposed to reduce carbon emissions?

5. What really is urgent about energy today? Does SB 540 help?

- Affordability; escalating utility costs?
- Need to deploy local resources & community resilience centers everywhere?

Perspective

When the children born today look back 30 years from now, what actions would they be grateful that we took right now?



Thank you.

Lorenzo Kristov
LKristov91@gmail.com

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