

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING June 30, 2021 Teleconference

June 30, 2021

The Energy Imbalance Market Governing Body convened the general session teleconference meeting at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the EIM Governing Body were in attendance:

John Prescott, Chair
Anita Decker, Vice Chair
Valerie Fong
Robert Kondziolka
Carl Linvill

GENERAL SESSION

The following agenda items were discussed in general session:

Chair Prescott and the EIM Governing Body members provided remarks in appreciation of Governing Body member Carl Linvill. Roger Collanton, Vice President, General Counsel, Corporate Secretary, and Chief Compliance Officer, read the following resolution.

WHEREAS, Carl Linvill, was appointed to the Western Energy Imbalance Market's inaugural Governing Body in July 2016; and

WHEREAS, Dr. Linvill served faithfully during his tenure including holding the positions of both Vice Chair and Chair; and

WHEREAS, Dr. Linvill used his expertise and knowledge on both technical matters and stakeholders' interests to advance the growth and effectiveness of the EIM; and

WHEREAS, Dr. Linvill's efforts were integral in the Western EIM achieving several milestones, including cumulative economic benefits of over \$1.25 billion, a growth in EIM Entities from 2 to 15, an EIM footprint in ten states extending to the Canadian border, and increased integration of renewable energy and improved operational efficiencies; and

WHEREAS, Dr. Linvill's extensive knowledge and work across the West was a source of valuable insight for his colleagues and stakeholders; and

WHEREAS, during his term as Chair of the Western EIM Governing Body, Dr. Linvill demonstrated his commitment to the ISO, and the EIM, including with his direct involvement in the successful search for a new ISO CEO, and his extra effort to personally welcome the newest EIM Governing Body member; and

WHEREAS, Dr. Linvill shared his commitment to electric distribution system solutions as a way to achieve reliability and clean energy goals, reminding all that a holistic approach that involves not just the transmission system, but also distributed energy resources is a more efficient outcome; and

WHEREAS, Dr. Linvill maintains a quiet and thoughtful demeanor balanced with a passion for the industry, and delightful sense of humor, which provided numerous moments of levity and bonding, such as sharing wonderful stories about his beloved labradoodle Gracie, and educating the uninitiated among his EIM Governing Body colleagues on the wonders of a beverage known as Kombucha.

BE IT RESOLVED, that the Western Energy Imbalance Market Governing Body Members hereby express their utmost appreciation and sincerest gratitude to Dr. Linvill for his service and dedication to the Western Imbalance Energy Market, and its many stakeholders and their varied interests.

PUBLIC COMMENT

There was no public comment offered at this time.

DECISION ON GENERAL SESSION MINUTES

Vice Chair Decker moved for approval of the EIM Governing Body general session minutes for the May 6, 2021, EIM Governing Body meeting and the joint Board of Governors and EIM Governing Body meeting. The motion was seconded by Member Kondziolka and approved 5-0.

EIM GOVERNANCE REVIEW COMMITTEE UPDATE

Therese Hampton, Executive Director – Public Generating Pool, and Chair – EIM Governance Review Committee, provided an update on behalf of the EIM Governance Review Committee (GRC). Ms. Hampton summarized the Committee on Regional Electric Power Cooperation's June 18 webinar to discuss the joint authority model. She noted Chair Prescott and Commissioner Tawney were moderators of the webinar and then highlighted the sizeable amount of alignment with stakeholders regarding the major issues for joint authority. She concluded her update with next steps and noted the Committee was targeting the end of July to vote on the part two draft final proposal. Brief discussion followed.

BODY OF STATE REGULATORS UPDATE

Letha Tawney, Commissioner – Oregon Public Utilities Commission, and Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner Tawney provided remarks of appreciation for outgoing EIM Governing Body member Carl Linvill and his work on the EIM Governing Body. Next, Ms. Tawney noted the new members to BOSR: Brad Johnson, Vice Chairman of Montana Public Service Commission and Jim O'Connor, Commissioner - Arizona Corporation Commission. Next, Commissioner Tawney reported that the Western Interstate Energy Board had hired a market analyst who would provide staff support to the BOSR. Commissioner Tawney also provided a brief overview of the Committee on Regional Electric Power Cooperation's June 18 webinar and highlighted the stakeholder participation.

To conclude, she noted the next BOSR meeting would be July 9 and that their fall meeting would be held in person, on October 18 in San Diego.

REGIONAL ISSUES FORUM UPDATE

Pam Sporborg, Senior Analyst, Transmission and Reliability Services – Portland General Electric, and Chair – Regional Issues Forum, provided an update on behalf of the RIF. She provided congratulatory remarks to outgoing EIM Governing Body member Carl Linvill and thanked him for his work on the EIM Governing Body. Next, Ms. Sporborg stated the RIF had met the day prior and held a panel with representatives from the Balancing Authority of Northern California, Turlock Irrigation District, Public Service Company of New Mexico and Los Angeles Department of Water and Power. In addition to the panel, RIF heard from WECC regarding resource adequacy. To conclude, she noted the RIF changes in the EIM Governance Review Committee's part one draft final proposal have received broad regional support and that the RIF plans to adopt those changes at their next meeting in September.

Discussion followed amongst members and Ms. Sporborg provided responsive comments.

BRIEFING ON AGGREGATE CAPABILITY CONSTRAINTS FOR CO-LOCATED HYBRID RESOURCES AND DECISION ON ADVISORY ROLE

Roger Collanton, Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer, acknowledged receipt of a public comment letter from Large-scale Solar Association and Solar Energy Industries Association, that was provided to the EIM Governing Body.

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the EIM Governing Body an overview of Management's proposal regarding the changes to the aggregate capability constraints for co-located hybrid resources proposal. He reported the proposal included new functionality that would be available to EIM balancing authority areas and would fall under the EIM Governing Body's advisory authority. Next, Mr. Cook reviewed what was implemented in 2020 and noted that additional functionality would be in place in fall 2021 to allow ancillary services. Next, he provided illustrative examples of adding sub-aggregate

constraints to model contractual limits. Mr. Cook concluded by reviewing the benefits of the new functionality to manage hybrid co-located resources and to model contractual limits. Discussion ensued and Mr. Cook responded to inquiries from the EIM Governing Body.

Department of Market Monitoring comment

Ryan Kurlinski, Manager – Market Monitoring, provided an overview of the comments submitted by the Department of Market Monitoring as part of the stakeholder initiative. Brief discussion followed and Mr. Kurlinski responded to various inquiries from the EIM Governing Body.

Public Comment

The following provided public comment:

Susan Schneider, on behalf Large-scale Solar Association

Discussion ensued and Management provided responsive comments to the Board and stakeholders.

Motion

Member Fong:

Moved, that the EIM Governing Body will provide verbal input to the ISO Board of Governors, as discussed at its June 30, 2021 general session meeting, supporting Management’s proposal on enhancements to the co-located resource model.

The motion was seconded by Vice Chair Decker and approved 5-0

DECISION ON POLICIES TO IMPLEMENT THE EIM GOVERNANCE REVIEW COMMITTEE’S PART 1 PROPOSAL

Dan Shonkwiler, Assistant General Counsel – Corporate and Litigation, presented Management’s proposed amendments to governance documents to implement the EIM Governance Review Committee’s part one proposal. Mr. Shonkwiler reviewed the background and stated that the Charter for EIM Governance and the Selection Policy for the EIM Governing Body required revisions. Next, he explained that both the Charter and Selection Policy are Board-approved policies and before the Board could approve, the changes require advisory input from the EIM Governing Body. Next, Mr. Shonkwiler summarized the changes to sections five and six of the Charter, changes to the Selection Policy, as well as the changes to the Charter outside of section five and six.

To conclude, Mr. Shonkwiler briefly identified other recommended changes by the EIM Governance Review Committee: 1) deferral of delegation of authority, 2) EIM Governing Body's mission, 3) funding for the Body of State Regulators, 4) Body of State Regulators meetings to include representatives of publicly owned utilities and federal power marketing administrations, and 5) cost allocation for the EIM Governing Body market expert. Brief discussion followed.

Public comment

There was no public comment offered at this time. Discussion followed amongst the EIM Governing Body members.

Motion

Member Fong:

Moved, that the EIM Governing Body will provide verbal advisory input to the Board of Governors, supporting the proposed revisions to the Charter for EIM Governance and the Selection Policy for the EIM Governing Body, as discussed in and attached to the memorandum dated June 23, 2021.

The motion was seconded by member Kondziolka and approved 5-0.

DECISION ON EIM GOVERNING BODY NOMINATIONS

Pam Sporborg, Senior Analyst, Transmission and Reliability Services – Portland General Electric, on behalf of the EIM Nominating Committee, presented to the EIM Governing Body, the Nominating Committee's candidate recommendations for two open seats on the EIM Governing Body: Robert Kondziolka and Jennifer Gardner. Ms. Sporborg briefly provided an overview of the selection process. Next, she recognized the members of the EIM Nominating Committee and their contributions. To conclude, Ms. Sporborg summarized the background of both candidates. Discussion ensued amongst the EIM Governing Body in support of the appointment of Jennifer Gardner and the reappointment of Robert Kondziolka.

Public comment

There was no public comment offered at this time.

Motion

Vice Chair Decker:

Moved, that the Energy Imbalance Market Governing Body reappoints Robert Kondziolka, and appoints Jennifer Gardner as members of the

Energy Imbalance Market Governing Body each for terms beginning July 1, 2021, and ending June 30, 2024.

The motion was seconded by member Linvill and approved 5-0

ELECTION OF EIM GOVERNING BODY CHAIR AND VICE CHAIR

Roger Collanton, Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer, introduced the topic and turned the item over to the EIM Governing Body members for discussion and proposed recommendations.

Public comment

There was no public comment offered at this time.

Motion

Member Prescott:

Moved, that the EIM Governing Body elects Anita Decker to serve as Chair of the EIM Governing Body, pursuant to section 3.3 of the Charter for Energy Imbalance Market Governance, effective July 1, 2021 to June 30, 2022, or until such time thereafter as a successor is elected. and

Moved, that the EIM Governing Body elects Rob Kondziolka to serve as Vice Chair of the EIM Governing Body, effective July 1, 2021 to June 30, 2022, or until such time thereafter as a successor is elected, whose role will include substituting for the Chair when the Chair is unable to fulfill their duties due to conflicts, absence, or unforeseen reasons, and who will be designated as the EIM Governing Body representative to the Nominating Committee.

The motion was seconded by member Fong and approved 5-0

Elliot Mainzer, President and CEO, provided complimentary remarks to outgoing Chair Prescott and the new Chair of the EIM Governing Body, Anita Decker.

BRIEFING ON EIM IMPLEMENTATIONS

Mark Rothleder, Senior Vice President and Chief Operating Officer, provided an update on the western energy imbalance market implementations on behalf of Khaled Abdul-Rahman, Vice President – Power Systems and Market Technology. Mr. Rothleder noted the implementation for NorthWestern Energy was completed on June 16. He added that NorthWestern Energy was the fifth entity to go-live since the following entities went live in April: (1) Balancing Authority of Northern California – Phase 2 / Western Area Power Administration, (2) Turlock Irrigation District, (3) Los

Angeles Department of Water and Power, and (4) Public Service Company of New Mexico. Mr. Rothleder highlighted the EIM coverage was now 67% of the WECC. To conclude, he stated the entities for 2022 implementation were underway. Discussion followed and Management provided responsive comments.

BRIEFING ON 2021 THREE-YEAR POLICY INITIATIVES ROADMAP AND ANNUAL PLAN

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the EIM Governing Body a briefing on the 2021 three-year policy initiatives roadmap and annual plan. Mr. Cook provided an overview of the primary drivers of changes to the roadmap and annual plan since January 2021: (1) external load forward scheduling rights process initiative and the (2) resource sufficiency evaluation initiative. Next, he outlined the reforms to resource adequacy and explained how the reforms needed to align procurement with operational needs. Mr. Cook reviewed next steps, discussion ensued, and Management provided responsive comments to inquiries from the EIM Governing Body regarding the extended day-ahead market initiative.

BRIEFING BY DEPARTMENT OF MARKET MONITORING

Eric Hildebrandt, Executive Director – Department of Market Monitoring, provided the EIM Governing Body a briefing on the resource sufficiency tests in the energy imbalance market. Dr. Hildebrandt provided a brief overview of the two types of tests: (1) bid range capacity tests and (2) flexible ramping sufficiency test. Next, he outlined the current issues with the capacity and sufficiency tests and reviewed graphs that depicted the Department of Market Monitoring's analysis. Dr. Hildebrandt concluded his briefing by reviewing the Department of Market Monitoring's recommendations. Discussion followed amongst the EIM Governing Body members and Mr. Hildebrandt provided responsive comments.

BRIEFING ON MARKET PERFORMANCE

Guillermo Bautista Alderete, Director – Market Analysis and Forecasting, provided an update to the EIM Governing Body regarding the EIM market performance during the week of June 14, 2021 – June 20, 2021, where conditions in the west were challenging due to record heat. Next, Mr. Bautista Alderete presented graphs that depicted the EIM performance. He noted that the EIM average daily prices during the high temperature period remained under \$35/MWH across the different areas. To conclude, Mr. Bautista Alderete highlighted that on days with the highest ISO load, EIM transfers were predominantly imports into the ISO market. Discussion ensued and Management provided responsive comments.

INFORMATIONAL REPORTS

There were no questions on the informational reports.

FUTURE AGENDA ITEMS

There were no items to discuss.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 4:00 p.m.