

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING March 10, 2021 Teleconference

March 10, 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:

PUBLIC COMMENT

There was no public comment offered at this time.

DECISION ON GENERAL SESSION MINUTES

Member Kondziolka moved for approval of the EIM Governing Body general session minutes for the January 20, 2021, meeting. The motion was seconded by Member Fong and approved 5-0.

GOVERNANCE REVIEW COMMITTEE UPDATE

Therese Hampton, Executive Director – Public Generating Pool, and Chair – EIM Governance Review Committee, provided an update on behalf of the Governance Review Committee (GRC). Ms. Hampton summarized the GRC's recent activities and noted the Committee would conduct a general session meeting on March 16 to discuss the draft final proposal and stakeholder comments. She highlighted the positive support received for

issues two through six and acknowledged the Committee would take more time to discuss the comments submitted with regards to issue one.

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 informed the EIM Governing Body that, as of February, all state regulated market participants in the western energy imbalance market have entered into a five-year funding agreement to support BOSR. Next, Ms. Tawney noted that BOSR submitted consensus comments on March 2 regarding the ISO's analysis of operations during the 2020 heatwave. She added that BOSR believed that resource sufficiency needed to be the highest priority and encouraged the ISO to expand the scope of its spring initiative to consider further adjustments. She stated that BOSR would also like to see a firm commitment to the test and consequences of failure by 2022. Next, Ms. Tawney stated she had the opportunity to moderate a Regional Issues Forum panel on resource sufficiency, which pointed to the need for more discussion regarding what caused the inaccurate results of the resource sufficiency test.

To conclude, Ms. Tawney reported BOSR was in consensus regarding the Governance Review Committee's joint authority proposal. Discussion ensued and the EIM Governing Body provided complimentary remarks regarding the funding approved for BOSR.

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 stated the RIF had met the day prior and held a panel on resource adequacy and resource sufficiency, hosted by Commissioner Tawney, Chair of the BOSR. In addition to the panel, Ms. Sporborg acknowledged a presentation given by ISO staff regarding load-forecasting methodology. She noted the resource adequacy panel had leveraged many of the issues identified at the summer readiness workshop. Discussion ensued and the EIM Governing Body provided complimentary remarks regarding the panels at the RIF meeting.

DECISION ON SUMMER 2021 READINESS INITIATIVE

Roger Collanton, Vice President, General Counsel - acknowledged the public letter from Bonneville Power Administration that had been provided to EIM Governing Body.

Brad Cooper, Senior Manager - Market Design Policy, provided the EIM Governing Body an overview of Management's proposal on market enhancements for summer 2021 readiness to address issues from the August heatwave. Mr. Cooper summarized the enhancements to the proposal: (1) enhance the EIM's resource sufficiency evaluation to better ensure each BAA

participates in the EIM with sufficient resources, (2) enhance energy interchange modeling with the ISO BAA to improve operational performance, and (3) enhance energy pricing when the ISO arms load and releases contingency reserves. He added that the enhancements to resource sufficiency evaluation and energy interchange modeling were under primary authority, while enhancements to energy pricing when the ISO arms load and releases contingency reserves was under the EIM Governing Body's advisory role.

Next, Mr. Cooper provided an overview of the stakeholder process and noted stakeholders generally supported or did not oppose adding the net load uncertainty to the capacity test. He added there was widespread support for mandatory auto-mirroring and general support for pricing energy at the bid cap when arming load. Mr. Cooper concluded by reviewing the benefits of the proposal. Discussion ensued regarding the transparency of resource sufficiency testing and Management provided responsive comments.

Department of Market Monitoring comment

Ryan Kurlinski, Manager – Analysis and Mitigation, provided an overview of the comments submitted by the Department of Market Monitoring as part of the stakeholder initiative.

Market Surveillance Committee comment

Dr. Scott Harvey, member of the Market Surveillance Committee, provided highlights of the March 8, 2021, MSC Opinion on Market Enhancements for summer 2021 Readiness

Public Comment

The following people provided public comment on Management's proposal:

Mark Simons representing Bonneville Power Administration
Partha Malvadkar representing Pacific Gas & Electric
Tonia Dorland representing the Public Advocates Office

Motion 1

Member Fong

Moved, that the EIM Governing Body approves the proposal for enhancements to the resource sufficiency evaluation and to address the energy interchange modeling issue, as described in the memorandum dated March 3, 2021; and

Moved, that the EIM Governing Body authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal described in the memorandum, including any filings that implement the

overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.

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

Motion 2

Member Fong

Moved, that the EIM Governing Body will provide verbal advisory input to the ISO Board of Governors, as discussed at its March 10, 2021 general session meeting, supporting Management's position on scarcity pricing as set forth in memorandum dated March 3, 2021.

The motion was seconded by Member Decker and approved 5-0.

BRIEFING ON EIM IMPLEMENTATIONS

Khaled Abdul-Rahman, Vice President – Power Systems and Market Technology, provided the EIM Governing Body an update on the western energy imbalance market implementations. Mr. Abdul-Rahman noted five entities were ready for go-live: 1) Balancing Authority of Northern California – Phase 2 / Western Area Power Administration, 2) Turlock Irrigation District, 3) Los Angeles Department of Water and Power, 3) Public Service Company of New Mexico, and 4) NorthWestern Energy. To conclude, Mr. Abdul-Rahman stated the entities for 2022 implementation were still on track. Discussion followed regarding the go-live schedules and Mr. Abdul-Rahman provided responsive comments.

BRIEFING ON WESTERN EIM BENEFITS

Guillermo Bautista Alderete, Director – Market Analysis and Forecasting, provided an update to the EIM Governing Body regarding the EIM benefits studies results. Mr. Bautista Alderete reported that for the fourth quarter of 2020, benefits totaled \$68.86 million, for a cumulative total of \$1.8 billion in gross benefits. To conclude, he noted the benefits were reflective of dispatches that are more efficient.

INFORMATIONAL REPORTS

There were no comments or questions on the following informational reports: EIM Governing Body policy calendar and stakeholder initiative milestones.

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 3:20 p.m.