

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING September 8, 2021 Teleconference

September 8, 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:

Anita Decker, Chair
Valerie Fong
Jennifer Gardner
Robert Kondziolka, Vice Chair
John Prescott

GENERAL SESSION

PUBLIC COMMENT

There was no public comment offered at this time.

DECISION ON GENERAL SESSION MINUTES

Vice Chair Kondziolka moved for approval of the EIM Governing Body general session minutes for the June 30, 2021, EIM Governing Body meeting. The motion was seconded by Member Prescott and approved 4-0, with member Gardner abstaining. Member Prescott moved for the approval of the August 20, 2021 EIM Governing Body (joint) general session minutes. The motion was seconded by Member Fong and approved 5-0.

CEO REPORT

Elliot Mainzer, President and CEO, provided highlights of the following sections of his CEO report: summer reliability, impacts of fires on the ISO and EIM, joint authority, sufficiency test enhancements, wheel-throughs, Western EIM performance and benefits, and improved communications. 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 informed the EIM Governing Body that BOSR has started the 2022 calendar year budget process and that results of the 2022 budget would be announced at their October meeting. She added that material pertaining to the budget process could be found on their website. Next, she reported that on August 11 BOSR, along with the Western Interstate Energy Board, cohosted a virtual wholesale electricity market simulation training for commissioners, state policy makers, and staff. Commissioner Tawney stated the training provided important insight into efficiency market performance. To conclude, she highlighted BOSR's upcoming meetings and stated the October meeting would be held in San Diego. Discussion followed regarding the BOSR's budget and Commissioner Tawney provided responsive comments.

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 reported the RIF fully approved changes to the RIF Operating Guidelines. Next, Ms. Sporborg stated the RIF had a number of open vacancies for sector liaisons. She stated the RIF would be conducting sector selection calls during the week of September 20. Ms. Sporborg concluded by stating the RIF's next meeting would be held in December. Discussion ensued.

DECISION ON EIM GOVERNANCE REVIEW COMMITTEE PHASE 2 GOVERNANCE DOCUMENTS

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 two proposal. Mr. Shonkwiler reviewed the background and stated the proposed amendments required advisory input from the EIM Governing Body. Next, he summarized the proposed amendments to the corporate bylaws, the charter for EIM governance, and the guidance document for handling policy initiatives. Brief discussion followed amongst the EIM Governing Body members.

Public Comment

There was no public comment offered at this time.

Member Fong:

Moved, that the EIM Governing Body will provide advisory input to the Board of Governors, supporting the proposed amendments to the Amended and Restated Bylaws, the Charter for Energy Imbalance Market Governance and Guidance for Handling Policy Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body, as discussed in and attached to the memorandum dated September 1, 2021.

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

Discussion ensued and the EIM Governing Body recommended additional language changes to Article IV, Section 2 of the Bylaws, as it pertained to advisory committees. Management noted the Board was required to receive a 30-day notice to vote on changing the bylaws. Additionally, there would be a stakeholder proceeding with the goal of creating a motion to change the bylaws at the November Board of Governors meeting.

Member Fong:

Moved, that the EIM Governing body recommends that the ISO Board of Governors further change the Bylaws by adding the following sentence at the end of Article V, Section 2 to the Bylaws: “Any advisory committee to address matters related to joint authority issues or the governance of the Energy Imbalance Market, currently or as it may evolve, including the joint authority established under Article IV, shall be jointly established by the Board and the EIM Governing Body, by approval of two-thirds of the members of each body then in office.

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

**DECISION ON WESTERN EIM SUB-ENTITY SCHEDULING COORDINATOR
ROLE**

Greg Cook, Executive Director, Market and Infrastructure Policy, summarized Management’s proposal to create a new EIM sub-entity participation category. Mr. Cook explained that the new category would provide utilities within an EIM area to settle load and non-participating resource imbalance energy directly with the ISO. Next, Mr. Cook described the proposed eligibility criteria for EIM sub-entities and noted the criteria ensured sub-entities have resources to serve their load as well as a defined service territory bounded by distribution-transmission interfaces. He informed the EIM Governing Body that Management’s proposal allowed Public Service of Colorado to preserve the existing commercial arrangements that most of the utilities in its balancing authority area operate under and that it was an important provision for implementing Public Service of Colorado balancing authority area into the EIM.

To conclude, Mr. Cook reviewed the benefits of the proposal and noted stakeholders largely supported the proposal. He stated there were initial concerns regarding the widespread proliferation of EIM sub-entities that could adversely affect operational and business practices but explained those concerns were addressed through the stakeholder process. Additionally, he noted a recent stakeholder concern which pertained to whether sub-entities had sufficient information to provide their share of resources, in order to pass the resources sufficiency evaluations. He stated that to address the concern, the ISO included functionality in the business requirement specifications. Brief discussion followed and Management provided responsive comments.

Public comment

There was no public comment offered at this time.

Motion

Chair Decker:

Moved, that the EIM Governing Body approves the proposal to create the EIM sub-entity market participation category as described in the memorandum dated September 1, 2021

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 Vice Chair Kondziolka and approved 5-0.

BRIEFING ON WESTERN EIM BENEFITS

Guillermo Bautista Alderete, Director – Market Analysis and Forecasting, provided the EIM Governing Body a briefing on the Western EIM market benefits and stated the gross benefits in Q2 totaled \$132.7 million. Next, Mr. Bautista Alderete shared a graph that depicted the volumes of wheel-through transfers and stated that a significant contribution of the EIM benefits came from transfers. Next, he discussed the monthly average prices and shared a graph that depicted how the bilateral prices in June increased. Mr. Bautista Alderete also provided an update on the summer conditions. He reviewed a table that summarized all the market enhancements implemented during the summer of 2021. Mr. Bautista Alderete concluded his update by reviewing graphs that depicted the most challenging day during the summer, July 9. Discussion followed.

Public comment

Public comment was provided as follows:

Alaine Ginocchio, on behalf of Western Interstate Energy Board

BRIEFING ON RESOURCE SUFFICIENCY EVALUATION ENHANCEMENTS

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the EIM Governing Body a briefing on the resource sufficiency evaluation enhancements initiative. Mr. Cook provided background on the initiative and noted the ISO was currently in the straw proposal phase of the initiative. Next, he explained that the enhancements were targeted to increase the accuracy of the resource sufficiency tests and included: (1) ensure the test only evaluates and counts capacity that was made available to the EIM for use, (2) ensure only imports with high certainty of delivery are counted, and (3) ensures the evaluation was applied equitably between entities who base schedule and the ISO. Next, Mr. Cook informed the EIM Governing Body that to address the reporting and transparency concerns, the ISO proposed that the Department of Market Monitoring would assume all resource sufficiency evaluation reporting and metric development. To conclude, Mr. Cook noted Management planned to bring their proposal to EIM Governing Body in December.

Next, Eric Hildebrandt, Executive Director – Department of Market Monitoring, provided the EIM Governing Body an update on DMM's role going forward. Dr. Hildebrandt explained that beginning this month DMM would begin conducting special monthly reporting in addition to their quarterly reporting. He stated DMM would work with stakeholders and the ISO to develop reporting metrics and analysis, as well as provide the EIM Governing Body enhanced informational reporting. Brief discussion followed.

INFORMATIONAL REPORTS

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

FUTURE AGENDA ITEMS

Chair Decker acknowledged a market expert survey would be made available to stakeholders in the next few weeks.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 3:15 p.m.