



**GENERAL SESSION MINUTES
JOINT SESSION – ISO BOARD OF GOVERNORS AND
WEIM GOVERNING BODY MEETING
February 1, 2023
ISO Folsom Campus / Hybrid**

February 1, 2023

The ISO Board of Governors and the WEIM Governing Body convened the joint general session meeting at approximately 9:30 a.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the ISO Board of Governors were in attendance:

Mary Leslie, Chair
Jan Schori, Vice Chair
Ash Bhagwat
Severin Borenstein
Angelina Galiteva

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

Robert Kondziolka, Chair
Jennifer Gardner, Vice Chair (participated via videoconference)
Andrew Campbell
Anita Decker
John Prescott

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON JOINT GENERAL SESSION MINUTES

ISO Board of Governors member Schori moved for approval of the ISO Board of Governors and WEIM Governing Body joint general session minutes for the December 14, 2022, meeting. The motion was seconded by ISO Board of Governors member Galiteva and approved 5-0 by the ISO Board of Governors and 5-0 by the WEIM Governing Body.



CEO REPORT

Elliot Mainzer, President and CEO, noted a few regional accomplishments, including the Ten West Link transmission project that broke ground in mid-January 2023 and the surpassing of \$3 billion in cumulative benefits for the WEIM in Q4 2022. Mr. Mainzer highlighted the three decisional items on the agenda for the meeting, including transmission service and market scheduling priorities phase 2, governance, and extended day-ahead market design. Mr. Mainzer noted the tremendous regional collaborative effort that resulted in proposals that represent and balance the various perspectives. Mr. Mainzer stated that the ISO is committed to continued stakeholder engagement to help foster collaboration and strengthen relationships.

DECISION ON TRANSMISSION SERVICE AND MARKET SCHEDULING PRIORITIES PHASE 2

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, noted public comment letters received from Arizona Public Service and Six Cities.

Milos Bosanac, Regional Markets Sector Manager, presented Management’s proposal for the transmission service and market scheduling priorities phase 2 initiative. Mr. Bosanac provided background on the initiative and then reviewed the various proposed design elements, including: calculating available transfer capability (ATC) at the ISO interties; setting aside transmission capacity for native load; making use of industry standard transmission reservation margins; creating a process for requesting ATC to establish wheel through scheduling priority; leveraging the existing transmission study process for long-term transmission priority requests; assessing the wheeling access transmission charge for reservations; and continuing the application of wheel through scheduling priority equal to ISO load. Mr. Bosanac said that stakeholders generally support the proposal and noted some areas of concern. Discussion ensued.

Next, Adam Swadley, Senior Advisor - Market Monitoring, provided a summary of comments on behalf of the Department of Market Monitoring on the transmission service and market scheduling priorities phase 2 proposal. Mr. Swadley stated that DMM supports the ISO’s overall proposal and recommends that the ISO consider a future initiative to address concerns raised during the stakeholder process. Discussion followed.

Public comment

The following provided comments on the proposal:

- Scott Ranzal on behalf of Pacific Gas and Electric
- Jeff Nelson on behalf of Southern California Edison



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Discussion ensued amongst the Governing Body members and Member Prescott provided additional comments surrounding the Governing Body's April 21, 2021, decision to not opine on the load, export and wheeling priorities proposal and to advise the Board of Governors to seek a long-term durable solution. Next, Governing Body Chair Kondziolka read into the record a [statement of proposed advisory guidance](#) for consideration by the Governing Body (attached hereto, and also posted to ISO and WEIM websites). He noted two concerns related to the efficacy of the ATC calculation and the certainty of firm transmission rights for those entities acquiring high priority scheduling rights. Chair Kondziolka listed three proposed recommendations related to the Department of Market Monitoring's role in reporting on the efficacy of the ATC calculations, including public workshops for data analysis/reporting and providing routine reports on the results. Discussion ensued, including the appropriateness of DMM's role, under FERC regulations. Mr. Kurlinski, on behalf of DMM, and Mr. Mainzer and Mr. Rothleder, on behalf of the ISO, committed to working together to ensure oversight and transparency on the matter as necessary and appropriate, with details to be developed as the initiative moves forward. Discussion followed regarding proposed motion language.

WEIM Governing Body Advisory Motion:

Governing Body Chair Kondziolka:

Moved, that the WEIM Governing Body advises the ISO Board of Governors, as further discussed, and to be reflected in the minutes, at the February 1, 2023 joint general session meeting, that it supports Management's proposal pertaining to transmission service and market scheduling priorities phase 2 as described in the memorandum dated January 26, 2023.

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

ISO Board of Governors Motion:

Board of Governors member Schori:

Moved, that the ISO Board of Governors approve Management's proposal pertaining to transmission service and market scheduling priorities phase 2 as described in the memorandum dated January 26, 2023; and

Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement these changes, 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 Board of Governors member Galiteva and approved 5-



0.

DECISION ON EXTENDED DAY-AHEAD MARKET

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, noted public comment letters received from American Clean Power Association, Arizona Public Service, Joint Coalition, Sacramento Municipal Utilities District, joint Salt River Project and Tucson Electric Power letter, Vistra Corp., Western EIM Body of State Regulators, and Western Power Trading Forum.

Next, Milos Bosanac, Regional Markets Sector Manager, presented Management's proposal for the extended day-ahead market initiative. Mr. Bosanac first highlighted the economic, reliability and environmental benefits of an extended day-ahead market. He noted that WEIM entities have the option to participate in the EDAM. Mr. Bosanac then provided an overview of the proposed EDAM design elements, including day-ahead resource sufficiency evaluation; maximizing transmission availability to support transfers; extending key day-ahead market processes to other balancing areas; extending the existing greenhouse gas accounting approach; and equitably allocating congestion and transfer revenue among EDAM entities. Mr. Bosanac stated that stakeholders support the overall EDAM design, while noting some areas of concern, which the ISO has committed to monitoring and addressing as necessary with operational experience.

Next, Ryan Kurlinski, Sr. Manager – Market and Policy Analysis, provided comments on behalf of the Department of Market Monitoring, stating that DMM supports the design and recommended some details to consider prior to implementation. He noted that the current proposal is a good starting point and recommended that the ISO consider further enhancing the design following experience with operating the market.

Next, Scott Harvey, member of the Market Surveillance Committee (MSC), provided comments, on behalf of the MSC on the extended day-ahead market proposal. Dr. Harvey stated that the MSC supports the proposal and recommended that the ISO monitor the market following the launch and refine the design based on experience in the market.

Public comment

The following provided comments on the proposal:

- Scott Bolton on behalf of PacifiCorp
- Steven Pruet on behalf of Los Angeles Department of Water and Power
- Cathleen Colbert on behalf of Vistra Corp.
- Scott Ranzal on behalf of Pacific Gas and Electric
- Jim Baggs on behalf of Seattle City Light



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- Jeff Nelson on behalf of Southern California Edison
- Scott Miller on behalf of Western Power Trading Forum
- Ryan Millar on behalf of Portland General Electric
- Jim Shetler on behalf of Balancing Authority of Northern California
- Vijay Satyal on behalf of WEIM Regional Issues Forum
- Thad LeVar on behalf of WEIM Body of State Regulators
- Kathy Anderson on behalf of Idaho Power Company

Motion:

ISO Board of Governors member Schori:

Moved, that the ISO Board of Governors and WEIM Governing Body approve the extended day-ahead market proposal as described in the memorandum dated January 26, 2023; and

Moved, that the ISO Board of Governors and the WEIM Governing Body authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the change proposed in this 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 ISO Board of Governors member Galiteva and approved 10-0.

DECISION ON WEIM GOVERNANCE REVIEW COMMITTEE PHASE THREE (EDAM GOVERNANCE) FINAL PROPOSAL

Rebecca Wagner, Vice Chair – WEIM Governance Review Committee (GRC) and Tony Braun, GRC member, presented the Committee’s final proposal on EDAM governance. Ms. Wagner first recognized the GRC members and expressed appreciation for their contributions to this effort followed by an acknowledgement in honor of Therese Hampton, former GRC Chair and colleague. Next, Ms. Wagner reviewed the purpose of the Committee and then she and Mr. Braun provided an overview of the various elements of the proposal, including the GRC’s recommendations for delegation of authority and related topics; the size and composition of the WEIM Governing Body; the stakeholder engagement and policy development processes; changes to the ISO Bylaws to weigh the interests of regional stakeholders; and, finally, the approval of policy and implementation of the EDAM



governance changes. Discussion ensued.

Public comment

The following provided comments on the proposal:

- Matt Lecar on behalf of Pacific Gas and Electric
- Jim Shetler on behalf of Balancing Authority of Northern California
- Vijay Satyal on behalf of WEIM Regional Issues Forum
- Thad LeVar on behalf of WEIM Body of State Regulators
- Alaine Ginocchio on behalf of Western Resource Advocates

Motion:

Board of Governors member Galiteva:

Moved, that the WEIM Governing Body and ISO Board of Governors approve the proposed changes recommended in the WEIM Governance Review Committee's Phase Three (EDAM) Final Proposal, dated January 9, 2023, attached to the memorandum dated January 25, 2023.

The motion was seconded by Governing Body member Campbell and approved 10-0.

Next, Stacey Crowley provided remarks acknowledging the commitment and dedication of the GRC and presented the following resolution:

WHEREAS, in 2019, the ISO Board of Governors and Western Energy Imbalance Market Governing Body jointly established the WEIM Governance Review Committee to lead a public stakeholder process to develop proposed enhancements to the WEIM governance structure; and

WHEREAS, Committee members, who served voluntarily, and began their work as the pandemic struck, worked diligently to develop consensus proposals to enhance the governance for both the western energy imbalance market and extended day-ahead market; and

WHEREAS, Chair Therese Hampton created a collegial, collaborative and spirited environment, and even with virtual meetings, the Committee shared special life experiences throughout their years of work, including the welcoming of two babies, meeting family members, and special pets; and

WHEREAS, in the course of its work, the Committee suffered the tragic and unexpected loss of its valued friend, colleague and leader, with the passing of



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Chair Therese Hampton, in whose memory the committee has dedicated its work; and

WHEREAS, Vice Chair Rebecca Wagner graciously stepped in during such a difficult time to continue the legacy that Chair Hampton built in the Committee, and

WHEREAS, through the leadership of both Chair Hampton and Vice Chair Rebecca Wagner, the Committee members, who spent long hours to conduct outreach and engage stakeholders from across the West in performing their efforts, were able to enjoy their work, laugh a little, and develop long lasting friendships, ultimately developing a series of balanced, comprehensive and well-vetted governance proposals; and

WHEREAS, Committee members inspired ISO leadership with their commitment and collaboration, and well-thought-out proposals, throughout a long and sometimes challenging process; and

WHEREAS, the ISO Board of Governors and the WEIM Governing Body have now jointly approved the committee's Phase Three governance proposal, which represents the culmination of the Committee's work; and now, therefore, be it

RESOLVED, that the WEIM Governing Body and Board of Governors hereby express their utmost gratitude and sincere appreciation to the WEIM Governance Review Committee members for their service to the State of California, and the West; and be it

FURTHER RESOLVED, that the WEIM Governing Body and the Board of Governors hereby dissolve the WEIM Governance Review Committee.

The motion was approved 10-0 by the Board of Governors and Governing Body.

BRIEFING ON DAY-AHEAD MARKET ENHANCEMENTS INITIATIVE

James Friedrich, Lead Policy Developer, provided an overview of the day-ahead market enhancements initiative. Mr. Friedrich first noted the objective of the initiative, which is to address reliability needs given growing supply and demand uncertainty. He then discussed the proposed "imbalance reserves product" intended to address net load uncertainty and also unlock significant regional market benefits for EDAM. Mr. Friedrich highlighted issues that were raised by stakeholders in the process, including measures to accommodate resource adequacy contracts and imbalance reserve settlement; accounting for energy costs in imbalance reserve procurement; and applying an imbalance reserve demand curve



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to mitigate pricing impacts. Mr. Friedrich concluded by stating that stakeholders support the need for the imbalance reserve product; however, they would like more time to discuss additional elements. He noted that the ISO has deferred the decision on the DAME initiative to be able to further address stakeholder concerns.

Public comment

The following provided comments on the briefing:

- Mike Wilding on behalf of PacifiCorp
- Cathleen Colbert on behalf of Vistra Corp
- Carrie Bentley on behalf of Western Power Trading Forum
- Jeff Nelson on behalf of Southern California Edison

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional general session matters to discuss, the joint general session was adjourned at approximately 4:15 p.m.