

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING April 24, 2018 Pinnacle Hotel Harbourfront Vancouver, British Columbia

April 24, 2018

The Energy Imbalance Market Governing Body convened the general session 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:

Douglas Howe, Chair
Valerie Fong, Vice Chair
Carl Linvill
John Prescott
Kristine Schmidt

The following members of the executive team were present: Steve Berberich, Keith Casey, Roger Collanton, Stacey Crowley, Petar Ristanovic, and Mark Rothleder.

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There were no public comments.

DECISION ON GENERAL SESSION MINUTES

Member Schmidt moved for approval of the EIM Governing Body general session minutes for the March 8, 2018 meeting. The motion was seconded by Chair Howe and approved 5-0.

REGIONAL ISSUES FORUM UPDATE

Cameron Yourkowski, Chair – Regional Issues Forum, provided an update by telephone on activities and upcoming meetings of the RIF. Mr. Yourkowski reported that the next meeting

of the RIF will be held in Portland, Oregon on June 6, 2018. He stated that the agenda for the meeting is under development and will likely include discussion regarding market power mitigation in other areas and, specifically, the PJM Interconnection-area. Mr. Yourkowski next reported that the RIF is planning its subsequent meeting adjacent to the November 29, 2018 EIM Governing Body meeting, either the day before or the day after. He concluded his update by providing an overview of upcoming changes regarding RIF leadership. Brief discussion followed.

BODY OF STATE REGULATORS UPDATE

Jordan White, Commissioner – Public Service Commission of Utah, and Chair – Body of State Regulators, provided an update by telephone on behalf of the BOSR. Commissioner White reported that the BOSR held a successful meeting in Vancouver, British Columbia on April 18, 2018. He then reported that the BOSR's next teleconference meeting will be held on July 19, 2018, and its next in-person meeting will be held on October 24, 2018, in Mesa, Arizona, adjacent to the fall CREPC/WIRAB meeting. He added that agendas for both meetings are under development but will likely focus on ISO policy proposals on EIM greenhouse gas enhancements and day-ahead market enhancements.

EIM NOMINATING COMMITTEE UPDATE

Peter Colussy, Manager – Regional Affairs, provided an overview of the make-up of the EIM Nominating Committee. Mr. Colussy next provided an overview of its current selection process to fill seats being vacated by Chair Howe and Member Linvill. He noted that Member Linvill requested to be considered for re-appointment, while Chair Howe is not seeking re-appointment. He concluded his presentation by providing an overview of the Nominating Committee's selection process and timeline. Brief discussion followed regarding the publishing of the slate of nominees.

BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS

The item was deferred.

BRIEFING ON POLICY OUTLOOK

Brad Cooper, Manager – Market Design Policy, provided status updates regarding ongoing and upcoming policy initiatives, focusing first on EIM-driven and EIM-related initiatives, and then briefly on non-EIM-related initiatives. In addition to providing policy initiative status, Mr. Cooper described the initiatives' decisional classifications and planned decision dates for EIM Governing Body and ISO Board of Governors.

Discussion followed regarding the proposed hybrid non-EIM-driven decisional classification for the day ahead market enhancements proposal, the scope of the initiative to review

transmission access charge structure, and the planned decisional date for the EIM greenhouse gas enhancements proposal.

DECISIONS ON IMBALANCE CONFORMANCE ENHANCEMENTS PROPOSAL

Mr. Cooper provided an overview of proposed imbalance conformance enhancements. He explained that balancing area operators manually adjust load forecast to reflect actual system conditions and these load forecast adjustments are referred to as imbalance conformances. He next explained why imbalance conformance is necessary. Mr. Cooper noted that the proposal is classified as primary for the Governing Body as to tariff clarifications authorizing EIM balancing areas to make imbalance conformance adjustments for their balancing area, and advisory as to the rest of the imbalance conformance limiter enhancements and associated tariff changes.

Mr. Cooper next summarized Management's proposal, explaining that the proposed enhancements reflect that the imbalance conformance limiter is intended to address coarse adjustments. He explained that the proposed tariff clarifications provide transparency by (1) explicitly stating that the ISO has discretion to create a load forecast it deems appropriate to maintain grid reliability, (2) authorizing ISO and EIM balancing areas to perform imbalance conformances, and (3) authorizing use of the imbalance conformance limiter. Mr. Cooper added that all stakeholders support the proposed tariff clarifications and that stakeholders generally support the imbalance conformance enhancements, with some exceptions.

Discussion ensued regarding Management's proposal to eliminate the limiter after a 2-year period, and Mark Rothleder, Vice President – Market Quality and Renewable Integration, explained that Management committed to developing operational tools to better inform operators of system needs, allowing operators to refine what are now coarse adjustments. Mr. Rothleder added that, if these efforts are successful, then there will no longer be a need for a limiter. Discussion followed and Mr. Cooper confirmed that the Department of Market Monitoring supports Management's proposal.

Motion on primary element

Member Linvill:

Moved, that the EIM Governing Body approves the tariff clarifications authorizing EIM balancing areas to make imbalance conformance adjustments for their balancing area, as described in the memorandum dated April 17, 2018, including any revisions that implement the overarching enhancements but contain discrete revisions to incorporate Federal Energy Regulatory Commission guidance in any initial ruling on the proposed tariff amendment.

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

Motion on advisory role

Member Prescott:

Moved, that the EIM Governing Body will provide verbal and written advisory input to the Board of Governors, as discussed at its April 24, 2018 general session meeting, supporting Management's proposal on imbalance conformance limiter enhancements and associated tariff changes.

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

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 2:00 p.m.