

## **GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING June 28, 2019 Hilton Salt Lake City Center Salt Lake City, Utah**

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### **June 28, 2019**

The Energy Imbalance Market Governing Body convened the general session meeting at approximately 10:00 a.m. and the presence of a quorum was established.

### **ATTENDANCE**

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

Valerie Fong, Chair  
Carl Linvill, Vice Chair  
Travis Kavulla  
John Prescott

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

Also present: Greg Fisher

### **GENERAL SESSION**

The following agenda items were discussed in general session:

### **PUBLIC COMMENT**

There was no public comment.

### **DECISION ON GENERAL SESSION MINUTES**

Chair Fong moved for approval of the EIM Governing Body general session minutes for the April 24, 2019 meeting. The motion was seconded by Member Kavulla and approved 4-0.

### **REGIONAL ISSUES FORUM UPDATE**

Matt Lecar, Principal – Pacific Gas & Electric, and Vice Chair – Regional Issues Forum, provided an update on behalf of the RIF. Mr. Lecar reported that the RIF held its last meeting on June 18 in Folsom, California. He stated that, for the first time, the RIF hosted a

workshop focused on carbon policy in the western states. He next provided a summary of the workshop. Mr. Lecar reported that the next RIF meeting will be held on August 27 in Portland. He added that the agenda is under development and may include updates regarding the extended day-ahead market feasibility studies, the EIM governance review committee if one has been seated, and RIF leadership transition.

## **BODY OF STATE REGULATORS UPDATE**

Kristine Raper, Commissioner – Idaho Public Utilities Commission, and Vice Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner Raper reported that the BOSR, through its EIM Nominating Committee liaison and internal discussions, has been engaged in the selection process currently underway to fill the seat vacated by Kristine Schmidt. Commissioner Raper next provided an overview of the BOSR's feedback to the ISO regarding its role on the EIM governance review committee as described in the committee's charter. She reported that the BOSR is in the process of developing a relationship with the Western Interstate Energy Board for staffing, analysis, expertise, and support as regional market issues develop. She reported that the BOSR will be holding elections for leadership positions at the same time that it elects its representative to the EIM governance review committee. Finally, Commissioner Raper stated that the next meeting of the BOSR will be held in San Diego on October 7, in conjunction with the CREPC/WIRAB meeting.

## **BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS**

Mark Rothleder, Vice President – Market Quality and California Regulatory Affairs, provided an update on the performance of the western energy imbalance market. Mr. Rothleder reported that Sacramento Municipal Utility District/Balancing Authority of Northern California entered the EIM on April 4. He stated that Seattle City Light and Salt River Project will enter the market in April 2020, and that implementation agreements have been signed with Los Angeles Department of Water and Power (entry in 2021), Avista (entry in 2022), and Tucson Electric Power (entry in 2022). Mr. Rothleder next provided an overview of the Quarter 1 2019 energy imbalance market benefits report, stating that gross economic benefits for Quarter 1 total about \$85.38 million. Mr. Rothleder next reported on flexible ramping diversity savings, weekly average prices in EIM areas, estimated wheel through transfers, and energy transfers for Quarter 1. Discussion ensued regarding index price deviations, the comparison between projected and actual benefits, the percentage of WECC load covered by EIM, and avoided curtailment in 2016.

Mr. Rothleder provided a report on performance of the EIM greenhouse gas tracking enhancement since its implementation in November 2018. He stated that there has been increased accounting of GHG from EIM resources serving ISO load and a reduction of potential secondary dispatch. He reported that no market efficiency issues have been observed. He noted that interplay with GHG cost and real-time imbalance energy offset, as well as unintended effects between secondary dispatch on EIM entities using asset

controlling supplier for GHG accounting of non-EIM transactions, have been observed but are unrelated to the GHG tracking enhancement.

## **BRIEFING ON POLICY OUTLOOK**

Greg Cook, Executive Director – Market and Infrastructure Policy, provided an update regarding the 2019 annual policy development plan. Mr. Cook reported that 5 policy initiatives have been added to the annual plan, 4 of which are EIM-related, and he briefly described each initiative. He explained that 2 initiatives have been removed from the annual plan, and he provided an overview of planned initiative timelines. Mr. Cook next provided an update regarding the status of ongoing and upcoming policy initiatives, including their decisional classifications.

## **DECISION ON REAL-TIME MARKET NEUTRALITY SETTLEMENT PROPOSAL**

Don Tretheway, Senior Advisor – Market Design Policy, provided an overview of the real-time market neutrality settlement proposal. Mr. Tretheway summarized Management's proposed changes, namely to (1) eliminate the EIM transfer adjustment in the real-time imbalance energy offset, and (2) modify the financial value of EIM transfers between non-California balancing authority areas to remove the cost of GHG. He stated that the changes will more accurately account for real-time market neutrality. He noted that the EIM Governing Body has primary authority over Management's proposal. Mr. Tretheway concluded by explaining that stakeholders generally support the proposed changes and summarizing the concerns identified.

### Public comment

Eric Eisenmann provided comments on behalf of Pacific Gas & Electric in support of the proposal. Mr. Eisenmann stated that the proposed changes return the real-time transfer process to a more equitable baseline. He added that PG&E supports Management's commitment to conduct a comprehensive review of the real-time settlement charge codes at issue, but suggests the current proposal should move forward and not be postponed.

Meredith Aiken provided comments on behalf of Powerex in support of the proposal. Ms. Aiken stated that these settlement issues were inadvertent errors not identified by the ISO or stakeholders during implementation that have impacted some of the core elements of the EIM. She stated that the settlement issues have resulted in unintended consequences and it is important to move forward quickly with steps to address these issues. Ms. Aiken added that Powerex encourages the ISO to continue to work with stakeholders to evaluate additional enhancements to the EIM settlements framework.

Christine Kirsten provided comments on behalf of PacifiCorp. Ms. Kirsten stated that PacifiCorp supports Management's proposal and looks forward to implementing the changes as soon as possible.

Jennifer Girard provided comments on behalf of Idaho Power Company supporting the proposal. Ms. Girard stated that Idaho Power believes the proposed changes need to be made as soon as possible as they increase the accuracy of the real-time imbalance energy offset. She stated that Idaho Power supports Management's commitment to conduct a comprehensive review and suggests the stakeholder process should be as robust and transparent as possible.

Clay MacArthur provided comments on behalf of Deseret Power. Mr. MacArthur reported that he received feedback from some publicly-owned utilities about significant charges that were seen to flow through the RTIO charge account or neutrality account in the second half of 2018. He asked how the proposed changes would have impacted those charges in the second half of 2018.

Discussion followed and Keith Casey, Vice President – Market and Infrastructure Development, explained that efforts are underway to conduct further analysis and there will be an opportunity to share the results prior to the ISO's tariff amendment filing.

#### Department of Market Monitoring comment

Eric Hildebrandt, Executive Director – Market Monitoring, provided comments in support of Management's proposal. He noted that the Market Monitor expects implementation will be straightforward and they are not expecting any unintended consequences.

Discussion ensued regarding retroactivity of the proposed changes and refinements to address post-implementation unintended consequences.

#### **Motion**

**Chair Fong:**

***Moved, that the EIM Governing Body approves the proposed changes to the real-time imbalance energy offset calculation as described in the memorandum dated June 21, 2019.***

**The motion was seconded by Member Kavulla and approved 4-0.**

#### **ELECTION OF EIM GOVERNING BODY CHAIR AND VICE CHAIR**

Chair Fong nominated Carl Linvill to serve as Chair and John Prescott to serve as Vice Chair. Brief discussion followed.

## **Motion on Chair**

**Chair Fong:**

***Moved, that the EIM Governing Body elects Carl Linvill 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, 2019 to June 30, 2020, or until such time thereafter as a successor is elected.***

The motion was seconded by Member Prescott and approved 4-0.

## **Motion on Vice Chair**

**Member Kavulla:**

***Moved, that the EIM Governing Body elects John Prescott to serve as Vice Chair of the EIM Governing Body, effective July 1, 2019 to June 30, 2020, 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 serve as the EIM Governing Body representative to the Nominating Committee.***

The motion was seconded by Chair Fong and approved 4-0.

## **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 11:30 a.m.