

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING June 30, 2020 Teleconference

June 30, 2020

The Energy Imbalance Market Governing Body convened the general session teleconference meeting at approximately 9:30 a.m. and the presence of a quorum was established.

ATTENDANCE

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

Carl Linvill, Chair
John Prescott, Vice Chair
Anita Decker
Valerie Fong
Robert Kondziolka

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 Decker moved for approval of the EIM Governing Body general session minutes for the May 6, 2020 meeting. The motion was seconded by Member Kondziolka 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 GRC. Ms. Hampton summarized the GRC's recent activities and noted the draft straw proposal was on track for posting on July 31, 2020. Ms. Hampton stated there would be general session meetings on August 7 and September 15 to allow for additional stakeholder feedback on the proposal. She also noted appreciation to ISO staff for their assistance throughout the process.

Discussion followed and Member Fong, who serves as the EIM Governing Body's representative on the GRC, expressed appreciation to Chair Hampton and her fellow Committee members for all of their work throughout the process. There was no public comment on this item.

BODY OF STATE REGULATORS UPDATE

Kara Fornstrom, Commissioner – Wyoming Public Utilities Commission, and Vice Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner Fornstrom noted that the following individuals filled the vacant positions left by retiring Commissioner White: Thad Levar, Chair, Commissioner, Utah Public Service Commission (Utah BOSR representative), and Haley Williamson, Commissioner, Nevada Public Utilities Commission (nominating committee representative). Commissioner Fornstrom also reported that, since its last update to the EIM Governing Body, the BOSR's work has centered around collaborating with ISO staff in the development of training packages (EIM and flexible ramping product) with state commissioners being the target audience. Brief discussion followed regarding the value of the training in meeting the right balance of education. There was no public comment on this item.

REGIONAL ISSUES FORUM UPDATE

Pam Spborg, Senior Analyst, Transmission and Reliability Services – Portland General Electric, and Chair – Regional Issues Forum, provided an update on behalf of the RIF. Ms. Spborg reported that previous Vice Chair Matt Lecar will continue serve as interim Vice Chair for the duration of Jennifer Gardner's maternity leave. Ms. Spborg provided an overview of the RIF's June 29 meeting, which included briefings on virtual bidding, clean energy and greenhouse gas. Ms. Spborg stated that the next RIF meeting was scheduled for December 1, 2020 but that they were exploring holding some additional virtual meetings before that date. She also noted appreciation to ISO staff, and the EIM Governing Body noted its appreciations for the work of the RIF. There was no public comment on this item.

BRIEFING ON HYBRID RESOURCES PHASE 1 AND DECISION ON ADVISORY ROLE (co-located resources)

Management proposal

Greg Cook, Executive Director – Market & Infrastructure Policy, described how Management is developing the following two different models for generation with different technology types at the same location: (1) co-located resource (individual resource ID for each generator behind a single point of interconnection), and (2) hybrid resource (a single resource ID aggregating multiple generators at a single point of interconnection).

Mr. Cook described how the market rules apply generally to the entire market making this proposal fall under the EIM Governing Body's advisory role. He discussed how the proposal manages dispatches of co-located resources to be within point of interconnection limits

allowing Pmax of each resource up to the point of interconnection limit. He stated the initial implementation of the point of interconnection constraint for energy was on track for Fall 2020 and that full constraint, including ancillary services, was planned for Fall 2021.

Mr. Cook provided an overview of the stakeholder process and noted concerns remained over the policy implementation timeline in addition to requests for additional functionality to allow storage resources to absorb differences between Variable Energy Resource forecasts and actual output. He also noted that DMM was concerned pricing resources at the point of interconnection instead of at resource nodes could incent resources to deviate from dispatch instructions. Mr. Cook concluded his presentation by reviewing the benefits of the proposal and noted the ISO will provide a report out after the first year of experience with co-located resource operations. He also noted Management will consider new functionality for 2023 interconnections. Brief discussion followed and Mark Rothleder, Vice President – Market Policy and Performance, committed to providing the EIM Governing Body an implementation report out as soon as enough operations data was in place to analyze, in response to the Governing Body's request for a six-month update. Brief discussion followed regarding the stakeholder process and the phasing of the initiative's timeline.

Department of Market Monitoring comment

Eric Hildebrandt, Executive Director – Market Monitoring, provided an overview of comments submitted by DMM in the stakeholder process and noted DMM's concerns with the proposal focusing on the pricing elements. He noted that discussions with Management about physical mechanisms to limit flows to be within the interconnection limit and a policy provision to limit the PMax of the resources in the event they did not follow dispatch instructions as described in Mr. Cook's presentation largely addressed DMM's pricing concerns. Dr. Hildebrandt noted that DMM concurred that the physical mechanisms, described by Mr. Cook earlier, would be required to ensure the point of interconnection flows are not exceeded, and based on this factor is supportive of the policy.

Public comment

Public comment letter received from Phoenix Consulting.

Susan Schneider, on behalf of Phoenix Consulting, provided an overview of the June 29, 2020 public comment letter that was provided to the EIM Governing Body as primarily related to mixed-fuel projects with co-located resource configuration being able to absorb deviations on one resource using another co-located resource. Brief discussion followed and Ms. Schneider responded to various inquiries from the EIM Governing Body members. Discussion ensued and Mr. Cook and other ISO Management provided responsive comments, including Mr. Berberich who emphasized the importance of the phased approach from an operational and reliability standpoint. Mr. Rothleder also committed to report out on structure testing as part of the above-mentioned earlier briefing to the EIM Governing Body to address Ms. Schneider's comments. Dr. Hildebrandt provided additional comments and noted the importance of having market rules around these issues.

Brief discussion followed and the EIM Governing Body members noted support for the proposal as well as the suggested request by Ms. Schneider.

Motion

Member Kondziolka:

Moved, that the EIM Governing Body will provide verbal advisory input to the ISO Board of Governors, as discussed at its June 30, 2020 general session meeting, supporting Management's proposal for hybrid resources phase 1.

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

BRIEFING ON POLICY OUTLOOK

Brad Cooper, Senior Manager – Market Design Policy, provided an update regarding the 2020 annual policy development plan. He next provided an update regarding the status of the following ongoing and upcoming policy initiatives, including descriptions of the initiatives and their decisional classifications: hybrid resources, energy storage and distributed energy resources – phase 4, FERC Order No. 831 – Import bidding and market parameters, system market power mitigation, real-time settlement review, flexible ramping product enhancements, day-ahead market enhancements, and the extended day-ahead market.

ELECTION OF EIM GOVERNING BODY CHAIR AND VICE CHAIR

Greg Fisher, Lead Counsel, introduced the topic and turned the item over to the EIM Governing Body members for further discussion on proposed recommendations.

Motion

Member Fong:

Moved, that the EIM Governing Body elects John Prescott 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, 2020 to June 30, 2021, or until such time thereafter as a successor is elected.

Moved, that the EIM Governing Body elects Anita Decker to serve as Vice Chair of the EIM Governing Body, effective July 1, 2020 to June 30, 2021, 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 be designated as the EIM Governing Body representative to the Nominating Committee.

The motion was seconded by Member Kondziolka 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 11:30 a.m.