

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING November 29, 2018 Sheraton Crescent Hotel Phoenix, Arizona

November 29, 2018

The Energy Imbalance Market Governing Body convened the general session meeting at approximately 9:00 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
Kristine Schmidt

The following members of the executive team were present: Keith Casey and Stacey Crowley

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There was no public comment.

DECISION ON GENERAL SESSION MINUTES

Member Schmidt moved for approval of the EIM Governing Body general session minutes for the October 31, 2018 meeting. The motion was seconded by Member Prescott and approved 5-0.

BRIEFING FROM BONNEVILLE POWER ADMINISTRATION ON ITS EXPLORATION OF PARTICIPATING IN THE WESTERN ENERGY IMBALANCE MARKET

Suzanne Cooper, Vice President of Bulk Marketing for Bonneville Power Administration, provided an overview regarding BPA's evaluation and exploration of participating in the

western energy imbalance market. Ms. Cooper provided background and organizational information regarding BPA, including its company profile, customers, and strategic goals. She described BPA's existing relationship with the ISO and EIM. Next, she described BPA's four core principles for evaluating the EIM. Ms. Cooper concluded her presentation by providing an overview of BPA's evaluation timelines, including its stakeholder process and EIM implementation, should BPA decide to join the EIM. Discussion followed regarding BPA, its decision-making process, and stakeholder positions and engagement.

REGIONAL ISSUES FORUM UPDATE

Therese Hampton, Executive Director – Public Generating Pool, and Vice Chair – Regional Issues Forum, provided an update on behalf of the RIF. Ms. Hampton provided an overview of the content shared and topics discussed at the November 28 RIF meeting, which included western state election results, resource sufficiency, an EIM Governing Body update, market power mitigation in the ISO, and generation-only balancing authorities. She thanked Arizona Public Service and Salt River Project for hosting a reception following the RIF meeting. Ms. Hampton added that the next RIF meeting is scheduled for March 11 in Albuquerque, New Mexico. She concluded by stating that the RIF is open to hearing from stakeholders about potential topics for discussion at future meetings.

BODY OF STATE REGULATORS UPDATE

Jordan White, Commissioner – Public Service Commission of Utah, and Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner White reported that the BOSR is close to having a date and agenda for its first quarter call, which will likely include a high-level overview of the BOSR and its function and possibly a review of policy. He noted that the BOSR is developing a training program for its members. Finally, Commissioner White reported that the BOSR has conducted outreach to the Montana Public Service Commission to welcome them into the group and invite them to start participating in the educational opportunities provided by both the BOSR and the RIF.

BRIEFING ON 2019 POLICY INITIATIVES ROADMAP AND ANNUAL PLAN

Greg Cook, Director – Market and Infrastructure Policy, provided a briefing regarding the ISO's 2019 policy initiatives roadmap and its annual plan. Mr. Cook described the 2019 policy initiatives roadmap process and timeline. He provided an overview of the primary drivers for the proposed three-year roadmap, including extending the day-ahead market to EIM balancing areas, which would provide regional benefits. Mr. Cook described the key benefits and principles of the extended day-ahead market, noting that the market would be voluntary. He next described the scope of the stakeholder initiative for extending the day-ahead market. Mr. Cook provided an overview of the three-year policy roadmap of major initiatives and the 2019 draft annual plan. He reported that stakeholders generally support the roadmap and annual plan. Discussion ensued regarding the evolution of the roadmap process, the voluntary nature of the extended day-ahead market, analysis of potential

impacts from day-ahead market enhancements to volume in the EIM, and initiative timelines.

Public comment

Tony Braun provided comment on behalf of the Balancing Authorities of Northern California. Mr. Braun suggested the roadmap and annual plan should be a living document to reflect the realities of providing input for and implementing the various initiatives.

BRIEFING ON PROCESS FOR EIM GOVERNANCE REVIEW

Stacey Crowley, Vice President – Regional and Federal Affairs, explained that when the ISO Board of Governors adopted the current EIM governance structure it recognized that the governance structure may need to evolve over time. Ms. Crowley stated that, for this reason, the Board included in the Charter for Energy Imbalance Market Governance a provision that directs the EIM Governing Body to initiate a review of EIM governance by September 2020, in light of accumulated circumstances and experience. She reported that ISO Management supports initiating a dialogue with stakeholders regarding a review of EIM governance and proposes as a first step an issue paper seeking feedback on (1) the potential scope of issues and topics to be addressed, and (2) the timing and process for performing the review. Ms. Crowley next provided an overview of Management’s proposed timeline for the issue paper and straw proposal.

Discussion ensued regarding the plan, timing, and format for the issue paper and potential EIM governance review topics. EIM Governing Body members indicated their minds are open with respect to the review and its outcome and they stressed that stakeholder input is important.

Public comment

Matt Lecar provided comment on behalf of Pacific Gas & Electric recommending a potential topic for discussion as part of the review. Mr. Lecar suggested it may be appropriate to think about the composition of the EIM Governing Body and whether five members is sufficient.

Suzanne Cooper provided comment on behalf of Bonneville Power Administration suggesting that the EIM Governing Body should not wait until the stakeholder process for the extended day-ahead market begins to initiate an EIM governance review.

Therese Hampton provided comment on Public Generating Pool stating that now is the right time to begin a review of EIM governance.

Kenna Hagen provided comment on behalf of Black Hills Energy stating that they are not an EIM entity but are closely monitoring developments as they consider possible participation in the future. Ms. Hagen stated that the governance framework is critical and a capstone as they consider participation and stressed that governance development takes time.

David Rubin provided comment on behalf of NV Energy stating that they are fully supportive of moving forward with the EIM governance review at this time.

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 10:45 a.m.