



**GENERAL SESSION MINUTES
JOINT SESSION – ISO BOARD OF GOVERNORS AND
WEM GOVERNING BODY MEETING
September 26, 2024
In person: Tempe, Arizona**

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The ISO Board of Governors and the WEM 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:

Jan Schori, Chair
Severin Borenstein, Vice Chair
Joseph Eto
Angelina Galiteva
Mary Leslie

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

Robert Kondziolka, Chair
Rebecca Wagner, Vice Chair
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

Governing Body Member Decker moved for approval of the ISO Board of Governors and WEM Governing Body joint general session minutes for the August 13, 2024, meeting. The motion was seconded by Governing Body Chair Kondziolka and approved 10-0.



CEO REPORT

Elliot Mainzer – President and CEO, provided an overview of his latest report, which included the following: September heat wave update, Black Hills Corporation’s and BHE Montana’s intent to join the ISO’s Western electricity markets, FERC approval of the soft energy bid cap, updated 2024 20-Year Transmission Outlook, on-going work on interconnection process enhancements, West-Wide Governance Pathways initiative update, and the upcoming ISO 2024 Stakeholder Symposium.

DECISION ON PENALTY ENHANCEMENTS – DEMAND RESPONSE, INVESTIGATION AND TOLLING

Becky Robinson – Director, Market Policy and Analysis, presented Management’s proposal to approve the penalty enhancements – demand response, investigation and tolling (PEDRIT) initiative. Ms. Robinson provided background on the Rules of Conduct and how rules apply penalties for market participant tariff non-compliance, including data submittal failures. Ms. Robinson noted that the current rules create unnecessary administrative burden and fail to incentivize necessary demand response monitoring data submittal. Ms. Robinson then introduced Kathy Anderson from Idaho Power who presented an example of the current penalty structure impact to Idaho Power, as well as issues brought forward to the ISO that were addressed in the PEDRIT stakeholder process, and Idaho Power’s overall perspective of the initiative and support of ISO’s proposal.

Next, Ms. Robinson highlighted various elements of the proposal, which included adding a materiality threshold for inaccurate meter data penalties; creating a new demand response monitoring data submittal timeline and penalty structure; and alleviating rules of conduct administrative burden for processing settlement of penalties and investigating potential violations. Ms. Robinson noted that stakeholders broadly support Management’s proposal and requested joint Board and Governing Body approval of Management’s proposed changes to the Rules of Conduct. Discussion ensued and the Board and Governing Body requested a future update on whether the new rules reduce administrative burden as intended in the proposed enhancement.

Public comment

The following provided public comment:

- Matthew Plummer on behalf of Pacific Gas and Electric
- Joseph Desmond on behalf of the California Efficiency and Demand Management Council

Motion

Governing Body Member Wagner:

Moved, that the ISO Board of Governors and WEM Governing Body approve the changes to the Rules of Conduct as described in the memorandum dated September 19, 2024; and



Moved, that the ISO Board of Governors and WEM Governing Body authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the changes 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 Governor Eto and approved 10-0.

DECISION ON INTER-SCHEDULING COORDINATOR TRADES IN REGIONAL MARKETS

Milos Bosanac – Regional Markets Sector Manager, presented Management’s proposal to approve the inter-scheduling coordinator (inter-SC) trades in regional markets initiative starting with background on inter-SC trade functionality. Mr. Bosanac noted that the inter-SC trades feature is not currently supported in the Western energy imbalance market nor is it a feature of the current extended day-ahead market design and, therefore, Management is proposing to extend the functionality in the Western energy imbalance market and integrate it into the extended day-ahead market implementation efforts. Discussion ensued.

Public comment

The following provided public comment:

- Jim Shetler on behalf of the Balancing Area of Northern California

Motion

Governing Body Member Decker:

Moved, that the ISO Board of Governors and the WEM Governing Body approve the proposed extension of the inter-SC trades for energy feature to WEIM and EDAM areas, as described in the memorandum dated September 19, 2024, and

Moved, that the ISO Board of Governors and WEM 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 Governor Leslie and approved 10-0.



DISCUSSION WITH WESTERN UTILITY REGULATORS: CURRENT INITIATIVES AND CHALLENGES FOR UTILITY REGULATORS

Stacey Crowley – Vice President, External Affairs, moderated a panel discussion with western utility regulators on current initiatives and challenges facing utility regulators. Ms. Crowley started with an overview of the themes for the discussion, which included reliability, value of a larger footprint, and recommended actions followed by an introduction of each of the following panelists:

- Hayley Williamson, Chair, Public Utilities Commission of Nevada
- Gabriel Aguilera, Commissioner, New Mexico Public Regulation Commission
- Kevin Thompson, Commissioner, Arizona Corporation Commission

Next, Ms. Crowley asked each of the panelists to provide their perspectives on behalf of their utilities regarding the following topics: Operational challenges and grid performance during summer 2024; unexpected issues that arose and how they were managed; expectations they foresee in the future; and how they plan to balance the reality of work happening and the long-term needs. Brief discussion ensued.

BRIEFING ON WEST-WIDE GOVERNANCE PATHWAYS INITIATIVE STEP 2 PROPOSAL

Pam Sporborg and Kathleen Staks – Co-Chairs of the Pathways Launch Committee, provided a briefing on the draft proposal for Step 2 of the West-Wide Governance Pathways Initiative. Ms. Staks started with an overview of the Launch Committee’s mission, the evaluation criteria for a regional governance structure, and the stepwise approach used in the proposal development process. Next, Ms. Sporborg reviewed the various functions a regional organization would oversee as well as the specific functions the ISO would continue to manage. Ms. Sporborg and Ms. Staks then discussed the various elements of the Step 2 draft proposal, which included a summary of recommendations; the proposed scope, function, formation and governance of a regional organization; the proposed definition of public interest and tools to enhance public interest protections; and an overview of the proposed stakeholder process. They concluded the briefing with a review of the timeline for the remainder of the Step 2 proposal development process. Discussion ensued.

ARIZONA STATE UNIVERSITY CLIMATE PLAN

Nathan Johnson – Center Director and Associate Professor, Engineering, The Polytechnic School, provided a briefing on Arizona State University’s (ASU’s) Climate Plan. He first noted that ASU is the largest U.S. University and that it started the world’s first sustainability school. Mr. Johnson highlighted the various programs and resources ASU manages and the private and public partnerships it maintains outside the campus. Next, Mr. Johnson discussed the motivations behind ASU’s de-carbonization goals and the services they provide beyond the degree programs. Mr. Johnson noted a 4-year effort that is underway to get Arizona to net zero and highlighted the work that is being done to achieve that goal. Mr. Johnson highlighted other de-carbonization efforts and the value they add, including incorporating microgrids; distributed energy resources; front-end engineering design for transmission planning; long duration energy storage; virtual power plants; managed electric vehicle charging; decarbonizing minerals extraction and processing; and carbon capturing. Mr. Johnson noted ASU’s efforts to provide clean and cost effective energy to small, disadvantaged tribal communities. He concluded by noting ASU’s workforce training programs in



advanced energy technologies and cybersecurity and highlighted other various educational opportunities that support the new energy economy. Discussion ensued.

INFORMATIONAL REPORTS

There were no comments on the informational reports.

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional joint general session matters to discuss, the joint general session was adjourned at approximately 2:30 p.m.