



**GENERAL SESSION MINUTES
JOINT SESSION – ISO BOARD OF GOVERNORS AND
WEIM GOVERNING BODY MEETING
September 20, 2023
Teleconference**

September 20, 2023

The ISO Board of Governors and the WEIM Governing Body convened the joint general session meeting at approximately 2:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the ISO Board of Governors were in attendance:

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

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

- Andrew Campbell, Chair
- Robert Kondziolka, Vice Chair
- Anita Decker
- John Prescott
- Rebecca Wagner

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

ISO Board of Governors member Galiteva moved for approval of the ISO Board of Governors and WEIM Governing Body joint general session minutes for the July 19, 2023, meeting. The motion was seconded by WEIM Governing Body member Prescott and approved 5-0 by the ISO Board of Governors and 5-0 by the WEIM Governing Body.



CEO REMARKS

Elliot Mainzer, President and CEO, first congratulated Angelina Galiteva on her confirmation by the California Senate to serve her fifth term on the ISO Board of Governors. Next, Mr. Mainzer highlighted topics on the agenda, which included decisions on Rules of Conduct Enhancements track 1; 2024-2026 cost of service study driven rates and fee changes; and variable operations and maintenance cost review followed by a briefing by the Department of Market Monitoring on WEIM resource sufficiency evaluation testing.

DECISION ON RULES OF CONDUCT ENHANCEMENTS TRACK 1

Jill Powers – Demand Response and Distributed Energy Sector Manager, presented Management’s proposal for track 1 enhancements to the Rules of Conduct. Ms. Powers first provided background on the initiative and then reviewed the proposed enhancements, which will address inaccuracies in meter data penalties. Ms. Powers then noted other proposed process enhancements, which will eliminate the annual penalty distribution filing with FERC, clarify eligibility for penalty distribution payments, and clarify the application of market adjustment provision in the context of WEIM entities. Ms. Powers stated that stakeholders broadly supported the proposal. Discussion ensued.

Ryan Kurlinski – Senior Manager, Market and Policy Analysis, provided comments on behalf of the Department of Market Monitoring in support of the proposal.

Public comment

No public comment was offered at this time.

Joint Motion:

ISO Board of Governors member Borenstein:

Moved, that the ISO Board of Governors and WEIM Governing Body approve the Rules of Conduct enhancements as described in the memorandum dated September 13, 2023; and

Moved, that the ISO Board of Governors and WEIM 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.



FINAL

Approved: November 8, 2023

The motion was seconded by WEIM Governing Body Vice Chair Kondziolka and approved 10-0.

DECISION ON 2024-2026 COST OF SERVICE STUDY DRIVEN RATE AND FEE CHANGES

April Gordon – Director, Financial Planning and Procurement, presented Management’s proposal on the 2024-2026 cost of service study driven rate and fee changes. Ms. Gordon provided an overview of the study process, which included a comprehensive analysis to determine costs associated with providing grid management charges (GMC) and other services to ISO customers. Ms. Gordon then noted that there were no changes to the grid management cost category percentages and minimal changes in other categories. She also noted the decision to bifurcate the System Operations charge into two cost categories: (1) real-time dispatch and (2) system operations balancing authority area services. Next, Ms. Gordon discussed Management’s proposal to establish an extended day-ahead market administrative charge transitional load ramp-in period that will provide incremental costs for WEIM entities joining the EDAM. Ms. Gordon then reviewed the proposal to increase the GMC revenue cap starting in 2025 to accommodate inflationary and operational cost increases as well as accounting of EDAM revenues and GMC revenue requirement structure changes. Ms. Gordon highlighted the proposed tariff amendments to eliminate the System Operations charge exemption for certain long-term power supply contracts. Ms. Gordon concluded by noting stakeholders supported the proposed rate design tariff changes and reviewed the next steps in the process. Discussion ensued.

Public comment

No public comment was offered at this time.

Joint Motion:

WEIM Governing Body member Decker:

Moved, that the ISO Board of Governors and the WEIM Governing Body approve the rate design tariff changes as outlined in the memorandum dated September 13, 2023;

Moved, that the ISO Board of Governors and the WEIM Governing Body authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal described in the 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 ISO Board of Governors member Eto and approved 10-0.

DECISION ON VARIABLE OPERATIONS AND MAINTENANCE COST REVIEW

Kevin Head – Senior Market Engineering Specialist, presented Management’s proposal on the variable operations and maintenance cost review. Mr. Head provided background regarding the process, which includes a review of the variable operations and maintenance cost adders at least once every three years. Mr. Head noted Management’s recommendation to increase the cost adder by 18.73% to account for inflation. Mr. Head concluded by noting comments received from stakeholders and Management’s responsiveness to their requests. Discussion ensued.

Next, Amelia Blanke provided comments on behalf of the Department of Market Monitoring noting DMM’s overall support of Management’s proposal.

Public comment

No public comment was offered at this time.

Joint Motion:

ISO Board of Governors member Galiteva:

Moved, that the ISO Board of Governors and WEIM Governing Body approve the revision to the variable operations and maintenance cost adders as described in the memorandum dated September 13, 2023; and

Moved, that the ISO Board of Governors and the WEIM 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 WEIM Governing Body Vice Chair Kondziolka and approved 10-0.

BRIEFING ON WEIM RESOURCE SUFFICIENCY EVALUATION TESTS

Eric Hildebrandt – Executive Director, Market Monitoring, provided a briefing on the WEIM resource sufficiency evaluation (RSE) performance metrics from DMM’s July 2023 report.



FINAL
Approved: November 8, 2023

Mr. Hildebrandt gave an overview of test results related to bid-range capacity and flexible ramping sufficiency. Mr. Hildebrandt then discussed recently implemented RSE changes and their performance, which include the following: a new quantile regression based uncertainty calculation, enhancements to address treatment of lower priority exports in the ISO's RSE, and a new service that offers assistance energy transfers for WEIM areas that fail the RSE. Discussion ensued and Mr. Hildebrandt committed to providing the ISO Board of Governors and WEIM Governing Body with an update on RSE testing at a joint general session meeting in approximately 6 months. Discussion ensued.

Public comment

No public comment was offered at this time.

INFORMATIONAL REPORTS

There were no comments on the informational reports (market performance update and policy initiatives update).

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional general session matters to discuss, the joint general session was adjourned at approximately 3:40 p.m.