



WESTERN ENERGY IMBALANCE MARKET



Confidential Position Specification **Independent Non-Executive Governing Body Member (EIM)**

February 2021



CONFIDENTIAL POSITION SPECIFICATION

Position	Independent Non-Executive Governing Body Member (EIM)
Company	Western Energy Imbalance Market (EIM)
Location	Folsom, California
Website	www.westerneim.com

COMPANY BACKGROUND

The Western Energy Imbalance Market (EIM) is a wholesale energy market that automatically dispatches low-cost electricity resources while optimizing use of renewable energy over a large geographical area. By participating in the EIM, balancing authorities can utilize the ISO's real-time market while maintaining control of their transmission system.

The EIM governance structure includes a regionally minded EIM Governing Body with delegated authority over the market rules of the EIM. The Governing Body is comprised of five members, all of whom are financially independent of market participants.

The EIM Governing Body makes decisions on proposed market rules and other EIM-related matters in advance of consideration by the ISO Board of Governors. Nominees for the EIM Governing Body are identified by the EIM Nominating Committee, which is comprised of regional stakeholder representatives. The EIM Governing Body considers the interests of all real time market participants, regardless of where they are located.

Qualified individuals with expertise in relevant areas, including utility operations, utility regulation, commodities markets (including electricity), or expertise in general corporate strategy or governance will be considered.

Candidates should have senior executive level experience in their appropriate field and a proven reputation for excellence.

There are independence requirements for qualified candidates that follow the Federal Energy Regulatory Commission's requirements for ISOs. Candidates for the EIM Governing Body need to be independent of entities that participate in the ISO market, including the EIM. This means that candidates cannot hold financial interests in, or receive compensation from, market participants, with the exception of retirees who receive a defined benefit pension from a market participant. In addition, the ISO has a conflict of interest policy that places restrictions on members who are affiliated with groups that advocate positions in the ISO stakeholder processes.

Origins of EIM

The rationale for the EIM stemmed from the manner in which transmission and generation resources have been managed in the Western Interconnection and the interest of some Balancing Authorities in the Western Interconnect to better utilize resources toward economic and operational efficiencies

There are 39 Balancing Authorities ("BAs") in the Western Interconnection with responsibility for transmission control area operation. The BAs manage their own generation resources (supply) to serve electric load (demand) in their control area. Historically, when they encountered a load/generation imbalance, they remedied the imbalance by dispatching resources from their own captive resources within their control area.



The very nature of the historical BA construct has, over time, created a balkanized group of 39 BAs that, on an hourly basis, manage their own resources within their control area. Each BA examines their load/resource and balance, then they manually dispatch resources within their control area to resolve the imbalance.

The EIM Solution

The EIM solves this imbalance between resources and load by providing each BA with instant access to participating resources from other BAs to resolve an imbalance. It has the benefit of information on load and resources throughout the collective EIM participant's footprint and is able to provide real-time resources through 15-minute scheduling, and five-minute dispatch, of available resources.

EIM Benefits

The EIM is able to produce several benefits for its market participants, including:

- *Reliability*: Not only ensuring system balance between supply and demand, but also optimization, information/data and visibility into system conditions that enable the EIM and the BA to anticipate and proactively resolve issues.
- *Reserve Requirement Optimization*: A wider portfolio of resources to maintain system balance enables reduction of and reliance on reserves within each discrete BA.
- *More Effective Utilization of Renewable Resources*: The 15-minute scheduling and five-minute dispatch across a much greater participant control area allows more reliable and effective utilization of renewable resources in the generation mix.

Operation of the EIM

An EIM entity is a BA that is enabling EIM to occur in its area, thereby allowing real time load and generation imbalances to be resolved through the EIM.

The California ISO ("ISO") as market operator is responsible for running and settling the EIM as part of its real-time market. The EIM is one of a number of services that the ISO provides. The ISO performs other services for utilities that have turned over control of their transmission systems to the ISO, or for entities that wish to use or transact on the ISO-controlled transmission network. The ISO, as RC West, serves as the Reliability Coordinator for 42 balancing authorities and transmission operators in the western U.S.

In operating the EIM, the ISO's systems identify fluctuations in supply and demand and then automatically find the best resource from across a larger region to meet immediate electricity needs. The activity optimizes the interconnected transmission network as market systems automatically manage congestion on transmission lines, which not only helps maintain reliability but also allows the management and mitigation of the cost of congestion.

Current and Future Participants in EIM

The Western EIM began financially binding operation on November 1, 2014 by optimizing resources across the ISO and PacifiCorp Balancing Authority Areas (BAAs). After PacifiCorp, the EIM grew to include the following entities: NV Energy, Arizona Public Service, Puget Sound Energy, Portland General Electric, Idaho Power, Powerex, the Balancing Authority of Northern California (BANC), Seattle City Light (SCL), and Salt River Project (SRP). The EIM footprint now includes portions of Arizona, California, Idaho, Nevada, Oregon, Utah, Washington, Wyoming, and extends to the border with Canada.

Over the next three years, the Western EIM is scheduled to add 11 new balancing authorities. When these participants are operational in 2023, the EIM will serve 83 percent of



the Western Electricity Coordinating Council's (WECC) total load and include entities in Colorado, Montana, New Mexico, and Texas

EIM Governance Structure

In order to encourage and facilitate EIM expansion and participation, participating entities and stakeholders, whether inside or outside California, have a voice and representation in the decision-making process, through an independent governance structure that includes a regionally minded five-member EIM Governing Body with delegated authority over the market rules of the EIM.

The governance structure is augmented by the Regional Issues Forum (RIF), representing broad stakeholder interest and the Board of State Regulators (BOSR) comprised of utility commission representatives from the Western region.

INDEPENDENT NON-EXECUTIVE GOVERNING BODY MEMBER AT WESTERN EIM

Scope of Responsibilities for the EIM Governing Body

The major responsibilities of the EIM Governing Body are divided into three primary areas:

1. *Oversight of market rules*
2. *Outreach and advocacy*
3. *Strategic guidance and leadership*

These responsibilities are multifaceted and each individual EIM Governing Body member's contribution may vary.

1. *Oversight of market rules*

The rules of the ISO's market are part of a lengthy and detailed tariff approved by the Federal Energy Regulatory Commission. Proposed changes or enhancements are developed by ISO staff through a stakeholder process. Before a tariff amendment can be filed with FERC, the proposed changes must be approved by the ISO Board. The EIM Governing Body has a role in the process of approving proposed changes that affect the rules of the EIM, including a vote over rules that are unique to or different for the EIM.

2. *Outreach and advocacy*

EIM entities and other regional stakeholders view the EIM Governing Body as key advocates for their interests. EIM Governing Body members actively outreach to stakeholders in addition to working with the RIF and BOSR.

3. *Strategic guidance and leadership*

The ISO continues its efforts to grow EIM. With the expertise that they bring to the body, together with the understanding of the market and the needs of market participants, members of the EIM Governing Body have a key advisory role on strategy for developing the EIM further.

Scope of Responsibilities for the Individual EIM Governing Body Members

The EIM Nominating Committee seeks to identify potential EIM Governing Body members and enable current members to be effective in their role. As part of this process, the Committee has developed EIM Governing Body membership expectations and responsibilities, with the following specific guidelines:

- A. commit to a deep understanding of the EIM and the environment in which it operates;



- B. prepare, attend and actively participate in EIM Governing Body meetings and functions;
- C. serve on programmatic and/or operational review committees as appropriate;
- D. champion the EIM;
- E. adhere to the Conflicts of Interest Policy, avoid even the appearance of a conflict of interest and fully disclose potentially problematic relationships;
- F. maintain confidentiality of sensitive and proprietary information acquired in the course of EIM Governing Body service.

It is important that a potential EIM Governing Body Member be prepared to be actively engaged. Further, he or she should be sensitive to the human culture of the EIM Governing Body, and be able to operate effectively and with full respect for the views of market participants and stakeholders in a unique governance system that provides representation while providing a large degree of autonomy to such parties.

The EIM Governing Body follows the same procedures as the Board of Governors, acting through open meetings and subject to other ISO policies that are generally applicable to board committees.

PROFESSIONAL EXPERIENCE AND EXPERTISE

The EIM Nominating Committee is seeking governing body members with broad expertise in one, or more, of the following areas:

Policy/Federal or State Regulatory Expertise

- Candidates with this expertise might include retired public utility commissioners, senior policy professionals, government and regulatory affairs professionals, as well as NGO and consumer advocacy professionals, unaffiliated with any market participants, ideally with emphasis in the Western Interconnect.

Commercial Markets and Trading and Associated Risk Management Expertise

- Candidates with this expertise might include present or former financial exchange professionals, present or former commodity trading company professionals; professionals or attorneys with extensive antitrust backgrounds; or consultants with relevant experience.

Market Design/Market Mechanics/Market Monitor Expertise

- Candidates with this expertise might include senior market/commodity utility professionals, academics or consultants with relevant energy markets experience.

General Corporate/Legal/Financial Expertise

- Candidates with this expertise might include present or former management consultants or service industry professionals; present or former chief executives, chief financial officers; chief legal officers or chief information officers; present or former national law firm partners, present or former senior professionals of financial institutions.



Electric Transmission Systems Operations Expertise

- Candidates with this expertise might include former electric utility senior professionals who are currently unaffiliated with any market participant as described above; present or former senior professionals of electric power reliability councils; present or former senior professionals from power pools, ideally with emphasis in the Western Interconnect.

Additional Areas of Expertise

- Senior executive experience in public interest organizations will be considered under any areas described provided the candidate otherwise has the relevant background.

All potential candidates must possess a proven reputation for excellence in their areas of expertise, and optimally should contribute to the diversity of the EIM Governing Body members.

PERSONAL CHARACTERISTICS

- Cultural fit with the Board and value proposition of the EIM including a strong mission-based philosophy.
- Strategic vision: views situations from different perspectives to discern alternative scenarios.
- Active, participative style; will advance views in an assertive yet supportive manner; non-political with no personal agenda.
- Respectful of other directors and management.
- Emotionally resilient, forward-thinking.
- Sound judgment, broad perspective using critical thinking and is intellectually inquisitive.
- Impeccable integrity, outstanding reputation, collaborative and thoughtful.
- Commitment to be a fully engaged, productive board director.
- EIM seeks candidates with a broad diversity of experience, professions, skills, geographic representation and background.

CANDIDATE INDEPENDENCE REQUIREMENTS

- The EIM cannot consider candidates who are employed by or provide consulting services to any entity (or person) that:
- Is engaged in the generation, transmission, marketing, trading or distribution of electricity within the geographic area of the Western Electric Coordinating Council;
- Holds any financial interest that would be prohibited by 18 C.F.R section 35.34 § (j)(1)(i) (a list of prohibited investments is available on request); or
- Has another actual or perceived conflict of interest that would be prohibited by the ISO Code of Conduct & Ethical Principles and that could not be resolved before the candidate becomes a member of the EIM Governing Body.
- The EIM may not consider a candidate who has a prohibited relationship or financial interest, unless the candidate commits to promptly end any prohibited relationship after



being appointed and before exercising the duties of the office, and to dispose of any financial interests within six months after appointed

BOARD MEETING DATES

2021 EIM GOVERNING BODY MEETING SCHEDULE

Meetings of the EIM Governing Body usually occur two weeks prior to meetings of the ISO Board. The 2021 regularly-scheduled meetings of the EIM Governing Body are continuously updated on the westernEIM.com website. The following are tentative dates and locations for future meetings of the EIM Governing Body.

DATE BOARD	EIM GOVERNING BODY	COMMITTEE LOCATION
March 10, 2021	EIM Governing Body meeting	Teleconference
May 6, 2021	EIM Governing Body meeting	Teleconference
June 30, 2021	EIM Governing Body meeting	Teleconference
September 8, 2021	EIM Governing Body meeting	Teleconference
October 20, 2021	EIM Governing Body meeting	Teleconference
October 21, 2021	Tentative Joint Board of Governors and EIM Governing Body meeting (Executive session)	Teleconference
December 6, 2021	EIM Governing Body meeting	Teleconference

EIM GOVERNING BODY POLICIES AND PROCEDURES

EIM Governing Body Compensation

Members of the EIM Governing Body shall receive compensation as determined by the ISO Board of Governors. Members of the EIM Governing Body are also entitled to receive reimbursement for reasonable and necessary travel and other actual expenses incurred in performing duties of his or her office and in attending meetings of the EIM Governing Body or other meetings as determined by the Chair.

The compensation structure for the EIM Governing Body is consistent with the compensation for Board members. The annual retainer fee is \$40,000. EIM Governing Body members' annual compensation will range from approximately \$65,000 - \$79,000, with the high end of the range going to EIM Governing Body Chairs for their attendance and presentations at ISO Board of Governors meetings. Full details on the compensation structure can be found here:

http://www.caiso.com/Documents/Decision_ModifyEIMGoverningBodyCompensation-Memo-Mar2018.pdf



CURRENT BOARD MEMBERS



John Prescott
Chair

Retired as president and CEO of Pacific Northwest Generating Cooperative, Mr. Prescott is known as a leader in the utility sector for power supply and associated market transactions. At Idaho Power, Mr. Prescott served 14 years in engineering and operational roles and led the R&D efforts of the Company focusing on renewable energy. He then moved into the non-regulated side of the industry as President of a start-up system integration company, followed by a fuel cell start-up business where he headed business development.

As vice president of power supply for Idaho Power, he worked with major stakeholders and customers that included tribes, federal and state agencies, and environmental groups in managing the Company's hydro and thermal generating resources. In 2004, he joined Seattle City Light, the largest public power utility in the Northwest, as the Power Supply and Environmental Affairs Officer. In 2005, Mr. Prescott became senior vice president of power supply at Pacific Northwest Generating Cooperative and in 2006 became its president and CEO. He led the largest generation and transmission cooperative in the Northwest until his retirement in 2016.

Mr. Prescott has served on numerous boards and committees including the National Rural Electric Cooperative Association Regulatory Standing Committee; Pacific Northwest Utility Conference Committee – Chair; Northwest Power & Conservation Council Wind Integration Steering Committee; and National Electric Reliability Corporation – Electricity Subsector Coordinating Council.

Mr. Prescott received his Bachelor of Science degree in General Engineering from Idaho State University in 1981. At the University of Idaho in 1987 he earned his Master of Science in Electrical Engineering and completed the Harvard Business School Advanced Management Program in 2003.

Mr. Prescott was first appointed July 1, 2016. He was reappointed July 1, 2019, for a term ending June 30, 2022.



Anita J. Decker
Vice Chair

Anita J. Decker retired in 2019 after 39 years in the electric utility industry. She was the executive director of the Northwest Public Power Association from 2014 to 2019 where she led the association's work in people development, legislative and regulatory advocacy and communication for more than 150 public/people's utility districts, electric cooperatives, municipalities and crown corporations in nine Western states and British Columbia.

From 2007 to 2014, she served as chief operating officer for the Bonneville Power Administration (BPA) including a stint as the acting administrator for the Western Area Power Administration. She was responsible for BPA's Power Services; Transmission Services; Environment, Fish & Wildlife; and Internal Business Services.

Prior to BPA, Ms. Decker spent 27 years with PacifiCorp, holding positions in Oregon, Wyoming and Utah rising to the role of business unit vice president. She spent 19 years in field operations, customer service, transmission/distribution construction and maintenance, sales and marketing, and energy conservation.

Ms. Decker holds a Bachelor of Science degree in Business Management from Utah Valley University, and certificates from Wharton School of Business Senior Business Leadership, and Advanced Management Program INSEAD, Fontainebleau, France.

Ms. Decker was appointed to the EIM Governing Body on September 1, 2019, for a term ending June 30, 2020. She was reappointed to a term ending June 30, 2023.



CURRENT BOARD MEMBERS



Valerie Fong

Ms. Fong has a strong diverse background in the market of electricity. She held several industry positions over her 35 year career with Pacific Gas and Electric, Alameda Power & Telecom, and the city of Palo Alto. Her most recent role was the Director of Utilities for the city of Palo Alto, from which she retired in 2015. In this role she was responsible for oversight of five utilities including the city's water, gas and electric utilities, the commodity portfolios, commodity risk management, distribution planning and maintenance, and policy development.

Ms. Fong has served on several boards including the Power Association of Northern California, Board Member; PG&E-designated representative on the California Power Exchange Board of Governors; City of Alameda and City of Palo Alto Alternate Commissioner for the Northern California Power Agency; City of Alameda's Commissioner for the Transmission Agency of Northern California (TANC); City of Palo Alto Alternate Commissioner for TANC; Member of the Board of Governors for the California Municipal Utility Agency; Member and Secretary for the Transmission Dependent Utilities; California Independent System Operator Governing Board Nominating Stakeholder Group; and, is a current Board Member of the St. Mary's Medical Center Community Board.

Ms. Fong graduated from the University of California and is a licensed Civil Engineer.

Ms. Fong was first appointed July 1, 2016. She was reappointed July 1, 2019, for a term ending June 30, 2022.



Robert Kondziolka

Robert Kondziolka retired in 2019 after more than 40 years in the electric industry. At the time of retirement, he was the management consultant for Grid Resiliency and Security with Salt River Project. Throughout his career, Mr. Kondziolka served as Salt River Project's director of Transmission Line Design, Construction & Maintenance, director of Power Delivery Engineering, director of Transmission & Generation Operations, executive manager of Transmission Planning and Development, manager of Transmission Line Design, project engineer for the Mead Phoenix Project, and supervisor for Transmission

Line Structural and Geotechnical Engineering. He was also a senior engineer at Salt River Project and design engineer at Tucson Electric Power Company specializing in all aspects of transmission line design and development.

Mr. Kondziolka's recent industry leadership includes chairman of the Western Electricity Coordinating Council (WECC) Member Advisory Committee; co-chair of the Joint North American Transmission Forum and INPO Nuclear Power Plant and Transmission Grid Interface Identification Group; chair of the Arizona Nuclear Power Project High Voltage Switchyard & Transmission System, Mead-Phoenix Project and Southwest Valley Project Engineering and Operating Committees.

Additionally, he served as chair of the Southwest Variable Energy Resource Initiative, chair of the Southwest Area Transmission Sub regional Transmission Group, representative to WECC Transmission Expansion Planning Policy Committee, lead on the development of and representative to the West Connect Planning Committee, chair of WECC Joint Guidance Committee, chair of the U.S. Department of Energy Western Congestion Analysis Task Force, vice-chair of the WECC Planning Coordination Committee, board member of the Arizona Independent Scheduling Administrator Association and board member of the Phoenix chapter of the National Society of Professional Engineers. He initiated, led or was part of the formation team responsible for the development and implementation of many of the industry groups with which he has been involved.

Mr. Kondziolka graduated from the University of Arizona in 1980 with a Bachelor of Science in Engineering and is a registered professional Civil Engineer in the State of Arizona.

Mr. Kondziolka was appointed to the EIM Governing Body on February 1, 2020, to a term ending June 30, 2021.



CURRENT BOARD MEMBERS



Carl Linvill

Dr. Linvill is currently a principal at the Regulatory Assistance Project where most recently he has been focusing on distributed energy policy and tariffs, distribution system resource planning, transmission system planning and overall power sector transformation. He is also a technical advisor to Western Interstate Energy Board and helped organize the Pacific Northwest Demand Response Project forums the last three years. In addition, he supports the National Renewable Electric Laboratory's Clean Energy Ministerial support for Mexico's distributed generation, grid modernization, and transmission planning efforts.

Dr. Linvill worked at Aspen Environmental Group as the Director of Integrated Energy Analysis and Planning where he focused on research, policy analysis, and conventional and renewable energy supply alternatives planning and evaluation.

He was the Nevada Governor's Energy and Economic Advisor from 2001 to 2003. He was involved in establishing standards and policies such as the 15 percent renewables portfolio standard, updating the state's net metering standards, and implementing Nevada's LEED certification for commercial buildings program. He also helped create Nevada's first statewide strategic plan for implementing renewable energy and energy efficiency policies in 2002. From 2003 to 2006, Dr. Linvill served as a Commissioner on the Public Utilities Commission of Nevada. He represented the State of Nevada in Western Interconnection planning efforts at the Western Electric Coordinating Council, the Western Interstate Energy Board and the Committee on Regional Electric Cooperation and Planning while a public servant in Nevada.

Dr. Linvill graduated from the University of California Davis in 1984 with a Bachelor of Arts degree in Mathematics and Economics. Then in 1993 was awarded a Ph.D. in Economics from the University of North Carolina Chapel Hill.

Dr. Linvill was first appointed July 1, 2016. He was reappointed July 1, 2018, for a term ending June 30, 2021.



For all Candidate Communication or Referrals please contact Korn Ferry directly using the following email address: CAISOEIM@kornferry.com

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