

## **GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING August 22, 2018 Embassy Suites Denver Downtown Denver, Colorado**

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### **August 22, 2018**

The Energy Imbalance Market Governing Body convened the general session meeting at approximately 12:30 p.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: Steve Berberich, Keith Casey, Roger Collanton, Stacey Crowley, and Mark Rothleder.

### **GENERAL SESSION**

The following agenda items were discussed in general session:

### **PUBLIC COMMENT**

Doug Larson, Consultant – The Energy Foundation, provided comment on his own behalf regarding the extended day-ahead market, which he expects would yield tremendous benefits in the west. He suggested the ISO release a timeline for the extended day-ahead market initiative, explain the interaction between the initiative and others in the ISO's policy initiative roadmap, and release a timeline and methodology for the extended day-ahead market benefits study.

### **DECISION ON GENERAL SESSION MINUTES**

Member Schmidt moved for approval of the EIM Governing Body general session minutes for the July 12, 2018 meeting. The motion was seconded by Member Prescott and approved 5-0.

## REGIONAL ISSUES FORUM UPDATE

Matt Lecar, Principal – Pacific Gas and Electric, and Vice Chair – Regional Issues Forum, provided an update on behalf of the RIF. Mr. Lecar reported that the RIF will not be holding an in-person meeting adjacent to the ISO stakeholder symposium, and its next in-person meeting will be held on November 28, adjacent to the November 29 EIM Governing Body meeting in Phoenix, Arizona. He concluded his update by stating that the agenda for that meeting is under development.

## 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 welcomed its newest member, Oregon Public Utility Commissioner Letha Tawney. He stated that the BOSR's August 3 teleconference meeting was successful. He explained that Sarah Edmonds from PacifiCorp provided a high-level overview of key issues important to EIM participants, and added that the BOSR's Staff Advisory Committee will hold a follow-up call on September 6 during which a subject-matter expert from the ISO will provide additional information from a technical perspective regarding the extended day-ahead market initiative. Finally, he reported that the BOSR's next in-person meeting will be held on October 24 in Mesa, Arizona, and while the agenda is still under development he expects they will receive an overview from the Department of Market Monitoring as to its role.

## BRIEFING ON ENERGY STORAGE AND DISTRIBUTED ENERGY RESOURCES PHASE 3 PROPOSAL AND DECISION ON ADVISORY ROLE

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the EIM Governing Body an overview of the energy storage and distributed energy resources phase 3 proposal. Mr. Cook explained that Management is proposing (1) new bidding and real-time dispatch options for proxy demand resources, (2) removal of the single load serving entity aggregation requirement and the need for application of a default load adjustment, (3) new load shift product for behind the meter storage, and (4) measurement of behind the meter electric vehicle supply equipment load curtailment. He next described each proposal and provided illustrative examples. Mr. Cook stated that stakeholders are supportive of the proposals, which provide additional enhancements for energy storage and distribution-connected resources to participate in ISO markets. Discussion followed and Governing Body members ultimately agreed to support Management's proposal.

### Motion

#### Member Schmidt:

***Moved, that the EIM Governing Body will provide verbal advisory input to the Board of Governors, as discussed at its August 22, 2018 general***

***session meeting, supporting Management's proposal on energy storage and distributed energy resources phase 3.***

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

## **BRIEFING ON POLICY OUTLOOK**

Mr. Cook provided status updates regarding ongoing and upcoming policy initiatives, focusing first on EIM-driven and EIM-related initiatives, and then briefly on non-EIM-related initiatives. Additionally, Mr. Cook described the initiatives' decisional classifications and planned decision dates for the EIM Governing Body and ISO Board of Governors. Discussion ensued regarding the scope of the new EIM mitigation initiative, the policy development timeline for and scope of the day-ahead market enhancements initiatives, the policy development timeline for the extended day-ahead market enhancements initiative, and the policy paper timeline for resource sufficiency test enhancements.

## **BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS**

Mark Rothleder, Vice President – Market Quality and Renewable Integration, provided an update on the performance of the western energy imbalance market. Mr. Rothleder reported that Idaho Power and Powerex were onboarded, and that Sacramento Municipal Utility District/Balancing Authority of Northern California is on schedule for implementation in spring 2019, and Los Angeles Department of Water and Power and Seattle City Light are on schedule for implementation in spring 2020. He added that Public Service Company of New Mexico announced it is seeking New Mexico Public Regulation Commission approval to join the EIM and has in parallel signed an implementation agreement with the ISO. He stated that Bonneville Power Administration has entered into a memorandum of understanding with the ISO and has started a stakeholder process to explore the possibility of joining the EIM. He next provided an overview of the Quarter 2 2018 energy imbalance market benefits report, stating that Quarter 2 gross economic benefits totaled about \$71.21 million. He reported that gross economic benefits since the start of EIM now total about \$401.73 million. Mr. Rothleder next reported on flexible ramping diversity savings, weekly average prices in EIM areas, and estimated wheel through transfers for Quarter 2. He concluded by reporting that robust energy transfers were observed in Quarter 2.

## **BRIEFING ON ISO RATE ADJUSTMENTS**

Ryan Seghesio, Vice President, Chief Financial Officer and Treasurer, reported that the ISO grid management charge and the energy imbalance market rates increased on August 1. Mr. Seghesio explained that the adjustments were made because mild weather in the first half of the year led to lower than forecasted grid management charge volumes. He explained that since EIM rates are derived from GMC rates, this led to an adjustment of EIM rates as well. Mr. Seghesio next described the rate development process, including the components of the revenue requirement and how the EIM administrative charge is set. He explained that the tariff requires adjustment of rates if the actual revenue plus remaining

forecast exceeds tolerance levels and limits adjustments to no more than once per calendar quarter. Discussion ensued regarding the rate adjustments, the process and timeline for implementing and announcing rate adjustments, and circumstances that would lead to a decrease in rates.

## **INFORMATIONAL REPORTS**

There were no comments or questions on the following informational reports: EIM Governing Body budget report, 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 2:10 p.m.