

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING August 28, 2019 Courtyard Portland City Center Portland, Oregon

August 28, 2019

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:

Carl Linvill, Chair
John Prescott, Vice Chair
Valerie Fong

Chair Linvill acknowledged receipt of a resignation letter from Travis Kavulla, effective August 27, 2019.

The following members of the executive team were present: Steve Berberich, Keith Casey, Stacey Crowley, Mark Rothleder

Also present: Greg Fisher, Senior Counsel

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There was no public comment.

DECISION ON GENERAL SESSION MINUTES

Member Fong moved for approval of the EIM Governing Body general session minutes for the June 28, 2019 meeting. The motion was seconded by Member Prescott and approved 3-0.

BODY OF STATE REGULATORS UPDATE

Letha Tawney, Commissioner – Oregon Public Utility Commission, and incoming Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner Tawney reported on the results of recent BOSR elections reporting that Commissioner Kristine Raper will serve as the BOSR’s representative on the EIM Governance Review Committee, Commissioner Tawney will serve as the BOSR Chair, Commissioner Kara Fornstrom will serve as Vice Chair, and Commissioner Jordan White will serve as the BOSR’s representative on the EIM Nominating Committee. Commissioner Tawney reported that the BOSR’s next in-person meeting will be held on October 7 prior to the CREPC meeting in San Diego, California.

REGIONAL ISSUES FORUM UPDATE

Therese Hampton, Executive Director – Public Generating Pool, and Chair – Regional Issues Forum, provided an update on behalf of the RIF. Ms. Hampton reported that the RIF’s August 27 meeting was very well attended. She reported that updates were provided regarding Oregon carbon policy, RIF liaisons’ summary of the carbon workshop and request for stakeholder comments, Avista’s progress towards joining the EIM, EIM entities’ evaluation of extended day-ahead market benefits, and system market power analysis. Ms. Hampton reported that the RIF has a number of new liaisons and elected the following to serve in RIF leadership: Pam Sporborg – Chair, Jennifer Gardner – Vice Chair, and Erin Kester – Secretary. She concluded by reporting that the RIF’s next in-person meeting will be held on December 3 in Las Vegas, Nevada.

BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS

Mark Rothleder, Vice President – Market Quality and California Regulatory Affairs, provided an update on the performance of the western energy imbalance market. Mr. Rothleder reported that implementation agreements have been signed with Salt River Project (entry in 2020), Seattle City Light (entry in 2020), Los Angeles Department of Water and Power (entry in 2021), Northwestern Energy (entry in 2021), Public Service Company of New Mexico (entry in 2021), Turlock Irrigation District (entry in 2021), Avista (entry in 2022), Tacoma Power (entry in 2022), and Tucson Electric Power (entry in 2022). Mr. Rothleder next provided an overview of the Quarter 2 2019 energy imbalance market benefits report. He stated that gross economic benefits from the EIM since November 2014 total about \$736.26 million. Mr. Rothleder next reported on flexible ramping diversity savings, weekly average prices in EIM areas, estimated wheel through transfers, and energy transfers for Quarter 2. Mr. Rothleder noted that, as the EIM footprint and transfers increase, there are some areas where wheel through volumes are exceeding net import/export into or out of the area. He explained the ISO is tracking the issue as a trigger point for considering going-forward transmission compensation changes. Mr. Rothleder explained that the ISO is open to discussing the issue further as part of the extended day-ahead market exploration and, if solutions are found in the EDAM, there may be applicability to the EIM. Discussion ensued regarding the wheel through issue as new entities join the EIM.

BRIEFING ON SYSTEM MARKET POWER MITIGATION

Perry Servedio, Lead Market Design Policy Developer – Market Design Policy, provided a briefing regarding system market power mitigation. Mr. Servedio explained that the ISO balancing authority area has been assumed to be structurally competitive in the past. He reported that, after the Department of Market Monitoring raised concerns in its 2017 annual report, Management committed to analyzing system-level competitiveness and addressing any identified issues. Mr. Servedio explained that Management recently published analysis results and has started discussing appropriate next steps with the Market Surveillance Committee and stakeholders. He noted that analysis results indicated potential uncompetitive conditions at the system level in the ISO BA when supply is tight. He explained that while discussions to determine root cause and implications may lead to potential policy development, Management does not anticipate changes to the existing energy imbalance market system market power design. Mr. Servedio next provided a summary of system market power in the EIM. He described the analysis results, along with some measures that could address increased price-cost mark up during times of tight supply, and stakeholder positions. Mr. Servedio concluded his briefing by describing next steps, which include continued discussions with stakeholders and the Market Surveillance Committee on the appropriate response and a plan to brief the ISO Board of Governors in November on a determination of appropriate measures to address system market power concerns.

DECISION ON EIM GOVERNING BODY NOMINATION

Jennifer Gardner, Senior Staff Attorney – Western Resource Advocates, and Chair – EIM Nominating Committee, provided a summary of the EIM Governing Body selection and approval process. Ms. Gardner described the make-up of the EIM Nominating Committee, as well as its recent deliberations relative to filling the EIM Governing Body vacancy created by the departure of Kristine Schmidt. She reported that the Nominating Committee reached consensus to nominate Anita Decker for a term beginning September 1, 2019, and ending June 30, 2020. She next expressed appreciation to those involved in the selection process and to all interested candidates. Ms. Gardner concluded by highlighting Ms. Decker's qualifications. Discussion followed and Governing Body members echoed appreciation for selection process efforts and expressed support for the nomination.

Motion

Member Prescott:

Moved, that the Energy Imbalance Market Governing Body appoints Anita Decker to the Energy Imbalance Market Governing Body for a term beginning September 1, 2019 and ending June 30, 2020.

The motion was seconded by Member Fong and approved 3-0.

INFORMATIONAL REPORTS

There were no comments or questions on the following informational reports: EIM Governing Body budget report, EIM Governing Body policy calendar, ISO quarterly financial report, and stakeholder initiative milestones.

FUTURE AGENDA ITEMS

The following potential future agenda item was discussed: Nomination to fill vacancy created by the departure of Travis Kavulla, which was effective August 27, 2019.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 9:55 a.m.