

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING February 28-March 1, 2017 The Palazzo, Las Vegas, Nevada

February 28, 2017

The western Energy Imbalance Market Governing Body convened the general session meeting at approximately 1:05 p.m. and the presence of a quorum was established.

ATTENDANCE

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

Kristine Schmidt, Chair
Douglas Howe, Vice Chair
Valerie Fong
Carl Linvill
John Prescott

The following members of the executive team were present: Roger Collanton and Stacey Crowley

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

Roger Collanton, Vice President and General Counsel, acknowledged receipt of a public comment letter from Gene Nelson, Ph.D., Central Coast Government Liaison – Californians For Green Nuclear Power, Inc., which had been provided to the EIM Governing Body. There was no other general public comment.

REGIONAL ISSUES FORUM DISCUSSION

Tony Braun, Chair – Regional Issues Forum, and Cameron Yourkowski, Vice Chair – Regional Issues Forum, led the Regional Issues Forum Discussion.

Regional Issues Forum re-evaluation process update

Mr. Braun reported that the Regional Issues Forum posed a series of questions and tentative recommendations to stakeholders to begin the RIF re-evaluation process mandated by the Charter for Energy Imbalance Market Governance. Mr. Braun and

Mr. Yourkowski next provided summaries of the questions and tentative recommendations posed by the RIF and the responsive comments received from stakeholders. Discussion ensued and various EIM Governing Body members, RIF liaisons, and stakeholders provided input regarding the performance and efficacy of the RIF. Generally, EIM Governing Body members, RIF liaisons, and stakeholders expressed support for a RIF-directed and ISO-supported re-evaluation process, and for an update on the process, including a potential draft proposal, to the EIM Governing Body in April, with completion of the process in July. There was general support for the continuation of the RIF and for the RIF maintaining independence from the EIM Governing Body, in part through RIF member-driven meeting agendas and content. It was suggested that the RIF consider increasing coordination with the Body of State Regulators, that it maintain the option to provide written work product as appropriate, and that it consider the types of matters it will address to ensure its efforts do not duplicate those of ISO stakeholder processes.

Chair Schmidt requested the RIF provide an update on the re-evaluation process for discussion at the April 19, 2017 EIM Governing Body meeting.

ISO policy initiatives update

Don Tretheway, Senior Advisor – Market Design and Regulatory Policy, provided an overview of the flexible ramping test addressed by Mark Rothleder, Vice President – Market Quality and Renewable Integration, in his briefing on the western energy imbalance market to the EIM Governing Body at its February 1, 2017 meeting. Mr. Tretheway described the design of the resource sufficiency evaluation and the tests conducted as part of the evaluation, particularly the flexible ramping test. He next discussed options ISO staff are considering to address flexible ramping test failures, including re-assessing the evaluation as part of the real-time market enhancements initiative. Discussion ensued regarding challenges faced by Arizona Public Service Company that led to flexible ramping test failures and its continued work with ISO staff on solutions.

RECESSED

There being additional general session matters to discuss, the general session was recessed at approximately 3:55 p.m.

RECONVENED

The EIM Governing Body reconvened the general session meeting at approximately 11:00 a.m., roll call was taken and the presence of a quorum was established.

ATTENDANCE

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

Kristine Schmidt, Chair
Douglas Howe, Vice Chair

Valerie Fong
Carl Linvill
John Prescott

The following members of the executive team were present: Roger Collanton and Stacey Crowley

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There were no public comments.

DECISION ON GENERAL SESSION MINUTES

Member Fong moved for approval of the EIM Governing Body general session minutes for the February 1, 2017 meeting, as revised. The motion was seconded by Member Prescott and approved 5-0.

BODY OF STATE REGULATORS UPDATE

Ann Rendahl, Commissioner – Washington Utilities and Transportation Commission, and Chair – Body of State Regulators, provided a summary of the March 1, 2017 Body of State Regulators meeting, including an overview of discussions held regarding the Regional Issues Forum re-evaluation and potential performance improvements for the BOSR. Discussion ensued regarding the BOSR's informal request for feedback on performance. Various EIM Governing Body members provided comments in support for the BOSR and suggested that the BOSR provide onboarding for regulators as EIM participants from new states join, and that the BOSR continue to provide input on matters that come before the EIM Governing Body.

BRIEFING ON FORECASTING IN WESTERN ENERGY IMBALANCE MARKET

Amber Motley, Manager – Short Term Forecasting, provided an overview of load and renewable forecasting in the western energy imbalance market. Ms. Motley explained the importance and use of the short-term load forecast as well as how the load forecast is derived generally and for EIM entities. Discussion ensued regarding the ISO's distinction between load-modifying demand response and dispatchable distributed energy resources. Ms. Motley described neural network forecasting and the different models used within a neural net system. Brief discussion followed regarding the persistence model and behind-the-meter forecasting.

Ms. Motley next described the role of cloud cover in load forecasting as behind-the-meter solar generation increases, 2016 load forecasting accuracy metrics, and load forecasting

options for EIM entities. Discussion ensued regarding the granularity of the load forecast, the different temperature stations used in the model, the challenges faced when forecasting for Arizona Public Service Company, and climatic variability within an EIM entity's territory and across seasons. Ms. Motley concluded her presentation by providing an overview of renewable forecasting and describing EIM entities' options for renewable forecasting.

BRIEFING ON ISO WEBSITE OVERVIEW

Peter Colussy, External Affairs Manager – Regional, provided an overview of the ISO website, highlighting enhancements made in connection with the western energy imbalance market. Mr. Colussy provided the web address created specifically for the western EIM and described the EIM-related content available through that address. He provided information regarding the ISO website's public calendar. He next provided a summary of resources related to stakeholder processes, including the various initiative webpages, the stakeholder initiative milestones chart, and stakeholder engagement opportunities. Brief discussion followed and Chair Schmidt requested that ISO staff explore enhancing the format of the stakeholder initiative milestones chart, and that a more current version of the stakeholder initiatives catalog be posted. Mr. Colussy concluded his presentation by describing the methods available to stakeholders for staying informed, including market notices and the ISO Today mobile application.

Public comment

Marshall Empey provided comments on behalf of Utah Associated Municipal Power Systems suggesting that ISO staff consider revising the EIM map to show EIM entities' balancing authority area rather than their retail service area.

Matt Lecar, Pacific Gas & Electric Company, provided comments on behalf of the Regional Issues Forum, indicating that clarification is needed regarding ISO treatment of Regional Issues Forum information from a market notice perspective.

Brief discussion followed and Mr. Colussy committed to conveying feedback to ISO Management for consideration.

INFORMATIONAL REPORTS

There were no comments or questions on the following informational report: EIM Governing Body policy calendar.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 12:25 p.m.