

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING January 23, 2018 ISO Headquarters Folsom, California

January 23, 2018

The Energy Imbalance Market Governing Body convened the general session meeting at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

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

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

The following members of the executive team were present: Keith Casey, Roger Collanton, Stacey Crowley, Petar Ristanovic, and Mark Rothleder.

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There were no public comments.

DECISION ON GENERAL SESSION MINUTES

Member Schmidt moved for approval of the EIM Governing Body general session minutes for the November 29, 2017 meeting. The motion was seconded by Vice Chair Fong and approved 5-0.

REGIONAL ISSUES FORUM UPDATE

Matt Lecar, Secretary – Regional Issues Forum, provided an update on behalf of the RIF. He reported that the RIF last met in-person on November 28, 2017 in Boise, Idaho, and will next meet on March 9, 2018 in Los Angeles, California, both meetings adjacent to EIM Governing Body meetings. Mr. Lecar explained that the RIF liaisons are still developing the

agenda for the March 9 meeting. Brief discussion followed regarding coordination of future adjacent meetings.

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 regarding recent membership changes and changes in terms of administrative support. Commissioner White reported that the BOSR filed comments in the ISO stakeholder processes for proposed revisions to the energy imbalance market governance documents and EIM greenhouse gas enhancements. He reported that the BOSR held a successful first quarter call, which included a briefing from Greg Cook, Director – Market and Infrastructure Policy, on day-ahead market enhancements, and discussions with Mark Rothleder, Vice President – Market Quality and Renewable Integration, and Professor Bill Hogan, Research Director at Harvard Electricity Policy Group, on EIM greenhouse gas enhancements. Next, he reported that the next in-person meeting of the BOSR will be held on April 17 in Vancouver, British Columbia. He added that the agenda is under development. He concluded his presentation by reporting that the British Columbia Utilities Commission has approached the BOSR about potential membership and that, to that end, BOSR may seek changes to the BOSR charter to accommodate BCUC membership. Discussion followed regarding the timeline and duration of BOSR calls, and Commissioner White explained that the BOSR agreed to hold one meeting per quarter or four per year, two by teleconference and two in person.

BRIEFING ON 2018 POLICY INITIATIVES ROADMAP

Greg Cook, Director – Market and Infrastructure Policy, provided an overview of the ISO's 2018 policy initiatives roadmap and annual plan. Mr. Cook first provided an overview of key changes to the ISO's policy initiatives catalog and roadmap process. Next, he provided an overview of the 2018 policy initiative roadmap process and the primary drivers of the proposed three-year roadmap. He described how day-ahead market enhancements are intended to address net load curve and uncertainty previously left to the real-time market. Discussion followed and Mr. Cook clarified that the ISO would pursue day-ahead market enhancements even if it were not planning to extend the day-ahead market to EIM. Mr. Cook next described key benefits and key principles for extending the day-ahead market to EIM entities, which would provide additional regional benefits. Discussion ensued regarding decisional classification for day-ahead market-related initiatives, and Keith Casey, Vice President – Market and Infrastructure Development, explained that ISO management intends to review preliminary decisional classifications more closely as stakeholder processes start later in the year and as the scope of the initiatives is clearer. Mr. Cook concluded his presentation by going over the three-year policy roadmap of major new initiatives and the timeline for the 2018 annual plan.

Discussion followed and Mr. Cook committed to providing an update to the EIM Governing Body should there be any substantive changes made to the 2018 policy initiative roadmap and annual plan after stakeholder comments are due.

DEPARTMENT OF MARKET MONITORING UPDATE

Eric Hildebrandt, Executive Director – Department of Market Monitoring, provided a summary and highlights of 2017 energy imbalance market performance. He next provided an update on market-based rate authority in the EIM. He concluded his presentation by providing an overview of key issues and recommendations for 2018.

BRIEFING ON PROPOSED REVISIONS TO ENERGY IMBALANCE MARKET GOVERNANCE DOCUMENTS AND DECISION ON ADVISORY ROLE

Dan Shonkwiler, Lead Counsel, provided an overview of proposed revisions to the following two EIM governance policies: the Selection Policy for the EIM Governing Body and the Guidance for Handling Policy Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body. Mr. Shonkwiler explained that substantive changes to these policies require Board approval. He further explained that since these two documents relate to EIM governance, ISO Management is seeking an endorsement or other advice from the EIM Governing Body regarding the proposed changes.

Regarding the Selection Policy for the EIM Governing Body, Mr. Shonkwiler provided background on the policy, and described Management's proposed changes, which would give the EIM Nominating Committee discretion regarding whether to use an executive search firm, and would reflect best practice regarding re-appointment of EIM Governing Body members. Next, Mr. Shonkwiler provided background information regarding the Guidance for Handling Policy Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body. He described Management's proposed changes to the guidance document, which would remove the descriptor "initial" from the term "initial decisional classification" for clarity, and would expressly state that Management may work with the Chairs to resolve disagreements before proceeding to a joint meeting. Mr. Shonkwiler described the stakeholder process, indicating that the general direction of comments from stakeholders were similar. He explained that both of stakeholders who submitted comments support the proposed revisions to the guidance document, and both suggest further revisions to the selection policy. He explained why Management believes it is not necessary to propose the further revisions to the selection policy at this time.

Discussion ensued and EIM Governing Body members expressed concerns with the proposed revisions and the process by which they were developed. Ultimately, the consensus among EIM Governing Body members was to defer the decision on its advisory role in this matter pending further discussion with Management, potentially as part of a more holistic review of EIM governance, and input from stakeholders, including, potentially, EIM Nominating Committee members once they have completed the upcoming selection process.

INFORMATIONAL REPORTS

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

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 2:20 p.m.