

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING November 29, 2017 The Grove Hotel Boise, Idaho

November 29, 2017

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: Steve Berberich, Keith Casey, Roger Collanton, Tom Doughty, 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 Prescott moved for approval of the EIM Governing Body general session minutes for the September 6, 2017 meeting. The motion was seconded by Member Schmidt and approved 5-0.

REGIONAL ISSUES FORUM UPDATE

Cameron Yourkowski, Chair – Regional Issues Forum, provided an update on behalf of the RIF. He provided a brief overview regarding the November 28, 2017 RIF meeting held in Boise, Idaho. He next reported that the RIF is considering updates to its operating guidelines that would outline the procedure the RIF would follow should it exercise its option

to provide comments to the EIM Governing Body or ISO Board of Governors. Mr. Yourkowski reported that the next in-person meeting of the RIF will be held on March 7, 2018.

Discussion ensued regarding the potential triggers for and make-up of comments from RIF. Matt Lecar, Secretary – Regional Issues Forum, provided clarification by way of an example of a circumstance under which the RIF might provide comments to the EIM Governing Body or ISO Board outside of an active stakeholder process.

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 its recent leadership changes, meeting process and frequency changes, and changes in terms of administrative support. Commissioner White reported that the BOSR is in the process of reviewing ISO Management’s proposed revisions to the energy imbalance market governance documents, and is collaborating on potential responsive comments for the stakeholder process. Brief discussion followed regarding BOSR’s potential comments.

BRIEFING ON POLICY OUTLOOK

Brad Cooper, Manager – Market Design Policy, 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. In addition to providing policy initiative status, Mr. Cooper described the initiatives’ decisional classifications and planned meeting dates for EIM Governing Body and ISO Board of Governors decisions.

Discussion followed regarding the ISO’s recently revised roadmap process and how it reflects stakeholder preference. Keith Casey, Vice President – Market and Infrastructure Development, explained that the changes to the process were made in response to stakeholder feedback.

Public comment

Sarah Edmonds, on behalf of PacifiCorp, provided comments regarding the greenhouse gas enhancements proposal requesting that Management consider the concerns that have been expressed regarding the proposed two-pass solution.

CONSOLIDATED ENERGY IMBALANCE MARKET INITIATIVES

Don Tretheway, Senior Advisor – Market Design Policy, provided an overview of proposed energy imbalance market system functionality enhancements within the EIM Governing Body’s primary authority, including proposals to auto-match intertie schedule changes with a non-participating resource, automate updating of mirror system resources at ISO intertie scheduling points, support imbalance settlement of EIM base transfer schedule changes, and enable submission of generation distribution factors for non-participating resources.

Mr. Tretheway next summarized Management's proposal to clarify market rules for non-generator resources, which falls under the EIM Governing Body's advisory role. He reported that stakeholders generally support the proposed enhancements and scope changes. He added that stakeholders supported the deferral of other elements of the initiative, including equitable sharing of wheeling benefits, third-party transmission contribution, and management of bilateral schedules changes, since substantial benefits were not demonstrated. Brief discussion followed.

Briefing on non-generator resource model and decision on advisory role

Motion

Member Prescott:

Moved, that the EIM Governing Body will provide verbal advisory input to the Board of Governors, as discussed at its November 29, 2017 general session meeting, supporting Management's proposal on the non-generator resource model.

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

Decision on proposed energy imbalance market system functionality enhancements

Motion

Member Schmidt:

Moved, that the EIM Governing Body approves the proposed EIM system functionality enhancements, as described in the memorandum dated November 22, 2017, including any revisions which implement the overarching enhancements but contain discrete revisions to incorporate FERC guidance in any initial ruling on the proposed tariff amendment.

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

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, including implementation updates for Idaho Power, Powerex, Seattle City Light, Balancing Authority of Northern California/Sacramento Municipal Utility District, Los Angeles Department of Water and Power, and Salt River Project. Mr. Rothleder reported that Puget Sound Energy, PacifiCorp, Portland General Electric and NV Energy have applied for and received market-based rate authority from FERC. He reported that FERC recently rejected the ISO's proposed tariff amendment extending the use of the maximum natural gas burn constraint to the EIM, in part because of concerns that EIM entities have the ability to control the initiation

of that constraint. He added that Management will be reviewing FERC's response to determine how best to proceed.

Mr. Rothleder next provided an overview of the Quarter 3 2017 EIM benefits report, stating that Quarter 3 gross economic benefits totaled about \$40.55 million. He reported that gross economic benefits since the start of EIM now total about \$254.98 million. He reported on the continued observance of reduced renewable curtailment. He concluded his presentation by providing updates regarding flexible ramping procurement diversity savings, weekly average prices in EIM areas, estimated wheel through transfers, and energy transfer capability in Quarter 3.

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.