

GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING October 30, 2019 ISO Headquarters Folsom, California

October 30, 2019

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:

Carl Linvill, Chair
John Prescott, Vice Chair
Anita Decker
Valerie Fong

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

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There was no public comment.

DECISION ON GENERAL SESSION MINUTES

Member Decker moved for approval of the EIM Governing Body general session minutes for the August 28, 2019 meeting and the Board of Governors and EIM Governing Body joint general session minutes for the September 18, 2019 and October 14, 2019 meetings. The motion was seconded by Member Fong and approved 4-0.

Resolution of Appreciation

Chair Linvill read a Resolution of Appreciation for Travis Kavulla, signed by Governing Body members and dated October 30, 2019.

WHEREAS, Travis Kavulla, was appointed to the Western Energy Imbalance Market's Governing Body in July 2018, and

WHEREAS, Mr. Kavulla added tremendous value to the Western Energy Imbalance Market Governing Body throughout his tenure, and

WHEREAS, Mr. Kavulla enhanced the Western Energy Imbalance Market Governing Body's profile bringing his experience and knowledge to bear on the issues it faced and the stakeholders it represented, and

WHEREAS, Mr. Kavulla's enthusiasm, gusto and interest in all matters related to the Western Energy Imbalance Market manifested in effective and fearless challenges and debates on the issues that were helpful to further understanding of the issues and proposed resolutions, and

WHEREAS, Mr. Kavulla shared his knowledge and assessments freely with his colleagues, and

WHEREAS, Mr. Kavulla's quick wit and excellent sense of humor coupled with his amazing ability to express complex thoughts clearly, competently and completely was much appreciated by his colleagues and the California Independent System Operator Management and staff, and

WHEREAS, Mr. Kavulla's direct experience dealing with political dynamics and state-specific issues was a source of valuable insight for his colleagues, and

WHEREAS, Mr. Kavulla's love for beer and tweeting sets a standard that is unchallenged by his colleagues, now

BE IT RESOLVED, that the Western Energy Imbalance Market Governing Body Members hereby express their utmost appreciation and sincerest gratitude to Mr. Kavulla for his service and dedication to the Western Energy Imbalance Market, and its many stakeholders and their varied interests.

Discussion followed and Travis Kavulla, who attended via teleconference, provided comments expressing his gratitude.

BODY OF STATE REGULATORS UPDATE

Letha Tawney, Commissioner – Oregon Public Utility Commission, and Chair – Body of State Regulators, provided an update on behalf of the BOSR. Commissioner Tawney reported that the BOSR held an in-person meeting on October 7 prior to the CREPC/WIRAB

meeting in San Diego, California. She stated that topics included the ISO day-ahead market and the extended day-ahead market initiative. She reported that the next in-person meeting will be held on April 29, 2020 in Albuquerque, New Mexico, ahead of the spring 2020 CREPC/WIRAB meeting, and she added that meeting details will follow. Commissioner Tawney reported that the ISO's recently published issue paper on the extended day-ahead market initiative is of great importance to regulators in the west and BOSR is exploring consensus comments on the issue paper. She reported that the BOSR is also engaging in the EIM Nominating Committee selection process to fill the current EIM Governing Body vacancy. She stated that the BOSR is working with the ISO on development of a day-ahead market training specific to regulators. Finally, Commissioner Tawney provided an overview of the memorandum of understanding between the Western Interstate Energy Board and the BOSR describing their high-level understanding regarding independent technical and staff assistance for BOSR, which is contingent on a stable source of funding. She noted that it is the BOSR's understanding the matter will be included for review and discussion in the EIM governance review stakeholder process.

REGIONAL ISSUES FORUM UPDATE

Pam Sporborg, Senior Analyst, Transmission and Reliability Services – Portland General Electric, and Chair – Regional Issues Forum, provided an update on behalf of the RIF. Ms. Sporborg reported that the RIF's next meeting will be held on December 3 in Las Vegas, adjacent to the December 4 EIM Governing Body meeting. She reported that the agenda will include updates from new EIM entrants Tacoma Power, Balancing Authority of Northern California Phase 2, Turlock Irrigation District and Tucson Electric Power, as well as panels on resource sufficiency and price formation. Finally, she reported that the RIF has selected the following tentative meeting dates for 2020, which will coincide with meetings of the EIM Governing Body: March 11, 2020 in Phoenix, Arizona, May 5, 2020 in Boise, Idaho, and December 1, 2020 in Los Angeles or Orange County.

BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS

Mark Rothleder, Vice President – Market Quality and California Regulatory Affairs, reported that the ISO published the 20th quarterly western energy imbalance market benefits report on the morning of October 30, marking five years of operation of the western EIM. Mr. Rothleder provided an update on the performance of the EIM. He reported that an implementation agreement has been signed by Bonneville Power Administration, with a planned start of 2022. He summarized upcoming EIM entries including Salt River Project and Seattle City Light (entry in 2020); Balancing Authority of Northern California – Phase 2, Los Angeles Department of Water and Power, Northwestern Energy, Public Service Company of New Mexico, and Turlock Irrigation District (entry in 2021); and Avista, Bonneville Power Administration, Tacoma Power, and Tucson Electric Power (entry in 2022). Mr. Rothleder next provided an overview of the Quarter 3 2019 EIM benefits report. He stated that gross economic benefits from the EIM in Quarter 3 were \$64.81 million, bringing the total benefits of EIM since November 2014 to about \$801.07 million. Mr. Rothleder next reported on flexible ramping procurement diversity savings, weekly

average prices in EIM areas, estimated wheel through transfers, and energy transfers for Quarter 3.

BRIEFING ON POLICY OUTLOOK

Brad Cooper, Senior Manager – Market Design Policy, provided an update regarding the 2019 annual policy development plan. Mr. Cooper described the revisions made to the plan, including the addition of three initiatives and the deferral of two initiatives, and he briefly described the reasoning for each change. Mr. Cooper provided an overview of the planned initiative timelines and explained that the 2020 annual plan is under development and will be presented to the Board of Governors and EIM Governing Body when it is completed. He next provided an update regarding the status of ongoing and upcoming policy initiatives, including descriptions of the initiatives and their decisional classifications. Discussion ensued regarding the policy initiatives addressing FERC Order No. 831 and import bidding and market parameters, and system market power mitigation.

BRIEFING ON MARKET SETTLEMENT TIMELINE TRANSFORMATION AND DECISION ON ADVISORY ROLE

Heather Kelley provided an overview of Management's market settlement timeline proposal, which increases the quality and efficiency of the settlement process. Ms. Kelley explained that, if approved, the modified market settlement timeline will reduce market participant financial exposure, provide more accurate settlement statements in an overall shorter time horizon, allow sufficient time to resolve disputes, improve compatibility with third-party settlements, and provide flexibility in publishing invoices. She provided illustrative timelines comparing the current timeline with the proposed modifications. Next, she reported that stakeholders are supportive of the timeline changes and that Management recommends the EIM Governing Body support the changes. Discussion ensued and EIM Governing Body members expressed support for the proposal. Member Prescott suggested the Governing Body provide advisory input to the Board supporting Management's proposal.

Motion

Member Fong:

Moved, that the EIM Governing Body will provide verbal advisory input to the Board of Governors, as discussed at its October 30, 2019 general session meeting, supporting Management's market settlement timeline transformation proposal.

The motion was seconded by Member Decker and approved 4-0.

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 1:45 p.m.