

## **GENERAL SESSION MINUTES EIM GOVERNING BODY MEETING October 31, 2018 ISO Headquarters Folsom, California**

---

### **October 31, 2018**

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:

Valerie Fong, Chair  
Carl Linvill, Vice Chair (via teleconference)  
Travis Kavulla  
John Prescott  
Kristine Schmidt

The following members of the executive team were present: Steve Berberich, 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 was no public comment.

### **DECISION ON GENERAL SESSION MINUTES**

Member Schmidt moved for approval of the EIM Governing Body general session minutes for the August 22, 2018 meeting. The motion was seconded by Member Kavulla and approved 5-0.

### **REGIONAL ISSUES FORUM UPDATE**

Therese Hampton, Executive Director – Public Generating Pool, and Vice Chair – Regional Issues Forum, provided an update on behalf of the RIF. Ms. Hampton reported that the next RIF meeting will be held on the afternoon of Thursday, November 28, at the Sheraton

Crescent Hotel in Phoenix, Arizona, adjacent to the EIM Governing Body meeting being held at the same venue the following day. She provided an overview of the agenda for the meeting, which includes a debrief on various western state elections and how results might impact energy markets, a resource sufficiency panel, an EIM Governing Body update, and an overview from the ISO Department of Market Monitoring on its philosophy and approach to market monitoring. Ms. Hampton added that the RIF has set a meeting schedule for 2019, and stated that they plan to continue to hold meetings adjacent to some of the Governing Body's meetings and are planning to meet in Albuquerque, New Mexico, in March 2019, Folsom, California, in June 2019, and Las Vegas, Nevada, in December 2019.

## **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. Commissioner White reported that the BOSR held nominations and elections recently and, based on the results, he will continue to serve as the Chair, Commissioner Ann Rendahl of the Washington Utilities and Transportation Commission will continue to serve as the BOSR liaison on the EIM Nominating Committee, and Commissioner Kristine Raper of the Idaho Public Utilities Commission will now serve as Vice Chair. Commissioner White reported that with the impending retirement of Wyoming Public Service Commission Chairman Bill Russell, Commissioner Kara Fornstrom has been designated as the new BOSR member for the Wyoming PSC. Next, he reported that the BOSR held an excellent meeting in Mesa, Arizona, during which Eric Hildebrandt of the ISO Department of Market Monitoring provided an update on DMM, Don Tretheway from the ISO provided a helpful presentation on the draft 2019 policy initiative roadmap and annual plan, and Jennifer Gardner from Western Resource Advocates provided perspective on the roadmap and annual plan and on the potential extended day-ahead market.

## **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. Additionally, Mr. Cooper described the initiatives' decisional classifications and planned decision dates for the EIM Governing Body and ISO Board of Governors. Discussion ensued regarding the day-ahead market enhancements and their potential impact on volumes dispatched in the real-time market, the flexible ramping product, and the process for prioritization of policy initiatives.

## **BRIEFING ON DAY-AHEAD MARKET ENHANCEMENTS**

Don Tretheway, Senior Advisor – Market Design Policy, provided an update on the day-ahead market enhancements initiative from a policy development perspective. Mr. Tretheway explained that the day-ahead market enhancements position the generation fleet to better respond to real-time imbalances. He reported that the initiative was split into two phases in response to stakeholder comments, with phase 1 addressing 15-minute

granularity and phase 2 addressing the day-ahead flexible ramping product, and described the decisional classifications for the two phases. Mr. Tretheway summarized the operational benefits and design elements of 15-minute scheduling, along with the corresponding design changes to the EIM and stakeholder support for the enhancements. Discussion ensued regarding the distinction between these enhancements and the potential extended day-ahead market, and how the flexible resource adequacy criteria and must offer obligation initiative relates to the day-ahead market enhancements.

Khaled Abdul-Rahman, Executive Director – Power Systems & Smart Grid Technology Development, concluded the presentation by providing a summary of potential approaches to meet day-ahead market enhancements implementation goals.

## **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. Mr. Rothleder reported that future implementations for Sacramento Municipal Utility District/Balancing Authority of Northern California, Los Angeles Department of Water and Power, Seattle City Light, Salt River Project, and Public Service Company of New Mexico are planned and on schedule, although PSC New Mexico continues to progress through its state regulatory approval process. He stated that Bonneville Power Administration is undergoing its stakeholder process considering EIM implementation, with expected implementation in 2022 should they move forward. He reported that the ISO received FERC-approval of its greenhouse gas enhancements tariff amendments, which will be implemented on November 1.

Mr. Rothleder next provided an overview of the Quarter 3 2018 energy imbalance market benefits report, stating that gross economic benefits since the start of EIM now total about \$502.31 million. He noted that benefits are high this quarter largely due to July and August conditions. Mr. Rothleder next reported on flexible ramping diversity savings, weekly average prices in EIM areas, and estimated wheel through transfers for Quarter 3. He concluded by reporting that robust energy transfers were observed in Quarter 3.

## **DEPARTMENT OF MARKET MONITORING UPDATE**

Eric Hildebrandt, Executive Director – Department of Market Monitoring, provided an overview of western energy imbalance market performance in Quarter 3 2018, including EIM transfer limits, EIM price trends, congestion and net imports. Dr. Hildebrandt provided an update on average EIM transfers with Idaho Power and Powerex. He next summarized DMM's approach to analyzing impact of bid mitigation on EIM hydro resources and the impacts of bid mitigation. He concluded his presentation by summarizing progress on prior DMM recommendations to the ISO. Discussion ensued regarding bid mitigation and the resource sufficiency test.

## Public comment

Mark Hollman provided comments on behalf of Powerex regarding Powerex's bid mitigation concerns. He stated that Powerex appreciates the ISO's efforts to acknowledge the issue and undergo a stakeholder process, and they are optimistic solutions can be found.

## **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**

There were no items to discuss.

## **ADJOURNED**

There being no additional general session matters to discuss, the general session was adjourned at approximately 2:05 p.m.