

**Balancing Authority of Northern California**

# Regular Meeting of the Commissioners of BANC

**2:00 P.M.**

**Wednesday, January 22, 2020**

**555 Capitol Mall**

**3rd Floor Board Room**

**Sacramento, CA 95814**

# Balancing Authority of Northern California

## NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **January 22, 2020** at **2:00 p.m.**, at **555 Capitol Mall, 3<sup>rd</sup> Floor Board Room, Sacramento, CA 95814**.

### AGENDA

- 1 Call to Order.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
  - A. Minutes of the Regular Commission Meeting held on October 23, 2019.
  - B. BANC Operator Reports (October, November, & December).
  - C. Compliance Officer Reports (November, December, & January).
  - D. PC Committee Chair Reports (November, December, & January).
  - E. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
  - A. Consider and Possibly Approve Resolution 20-01-14 *Resolution Commending and Thanking Greg Salyer for His Service to the Balancing Authority of Northern California.*
  - B. EIM Phase 2/EDAM Update.
    - i. Consider and Possibly Approve Resolution 20-01-15 *Authorization of Contract for Services Related to EDAM Market Support.*
  - C. SB100 Effort Update.
  - D. Sutter Energy Center Update.
  - E. 2019 NERC/WECC Audit Review.
  - F. General Counsel's Report.
- 6 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9; one case.
- 7 Adjournment.**

## **Balancing Authority of Northern California**

# Consent Agenda Items

- A. Minutes of the October 23, 2019 BANC Regular Meeting.**
- B. BANC Operator Reports (October, November, & December).**
- C. Compliance Officer Reports (November, December, & January).**
- D. PC Committee Chair Reports (November, December, & January).**
- E. General Manager's Report and Strategic Initiatives Update.**

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE  
BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

October 23, 2019

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) was held at 915 L Street, CMUA Conference Room, Suite 1210, Sacramento, CA 95814.

Representatives Present:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District	Greg Salyer
City of Redding	Dan Beans, Chair
City of Roseville	Todd White
Sacramento Municipal Utility District	Paul Lau
City of Shasta Lake	James Takehara
Trinity Public Utilities District	Paul Hauser

<b>Agency</b>	<b>Liaison</b>
Western Area Power Administration	Jeanne Haas

1. Call to Order: Chair Beans called the meeting to order at 2:02 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: Mr. Hauser moved, Mr. Salyer seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on October 3, 2019; (B) BANC Operator Report for September; (C) Compliance Officer Report for October (update); (D) PC Committee Chair Report for October (update); and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Shetler provided an update on EIM Phase 2, EDAM and Resource Adequacy. Regarding EIM P2, the Implementation Agreement has been executed with CAISO and will be filed at FERC in the near term. A routine kick-off meeting with CAISO will be scheduled in November, and all Phase 2 participants will be included. The EIM Committee held a meeting on October 15<sup>th</sup> where the main focus was reviewing software options (OATI, Power Settlements) and Work Group updates (Deviation Band, WAPA Transmission, BANC Settlements.)  
  
With respect to EDAM, CAISO initiated the public stakeholder process by issuing draft white paper on October 10<sup>th</sup>. An initial stakeholder webinar is scheduled for October 17<sup>th</sup>,

## MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

with comments due November 22<sup>nd</sup>. CAISO is looking to launch the formal process in the February timeframe.

EIM Entity outreach included a Feasibility Assessment (FA) webinar on October 3<sup>rd</sup>, where the results of the FA were presented to 100+ stakeholders, and participation in panels at joint CREPC/WIRAB mtg October 8<sup>th</sup>. BANC/BBSW is supporting this effort by hosting meetings over the next year and providing some degree of meeting coordination and administrative support. In addition, BANC is active in formulating policies through the EIM Entity coalition.

Resource Adequacy – CAISO recently made a presentation to their board (included ramping issue, weather impacts), but the biggest issue was near-term capacity. Capacity shortages are a concern as early as next year. They are looking at a possible 3-year extension related to the shut-down of once-through cooling plants, but how that may play out is uncertain. Another 2200MW of capacity loss occurs in 2024-25 due to Diablo Canyon retirements. In addition, the Northwest Power Pool (NWPP) is forecasting capacity shortages, largely due to retirements of coal plants, according to a recently completed study. BANC intends stay apprised of developments in this area. Near-term capacity shortages in both CAISO and the Pacific NW will impact RA procurement for BANC members. As a result, BANC is engaging in both CAISO and NWPP processes. Discussions have been initiated at BANC Resource Committee to better determine the impacts on BANC.

SB100 Approach – Dan Beans and Jim Shetler have been invited to participate on a panel at an SB100 Workshop in Redding on October 25<sup>th</sup>, where the focus will be on reliability. Mr. Takehara asked who was driving the conversation on the NWPP RA issue, and Mr. Shetler responded that it was being driven by the NWPP itself.

- B. Mr. Shetler reviewed updates to the budget, as requested previously by the Commission, and stated that RC contributions had been adjusted as well. No changes were made to the base budget.
  - i. Mr. Salyer moved, Mr. White seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 19-10-11 *Approval of Revised 2020 Annual Budget for BANC*.
- C. Mr. Shetler reviewed the Strategic Plan Initiatives for 2020. Routine initiatives have not changed significantly; however, under Assets, the evaluation of a joint option for resource needs for the BA will focus on CAISO/NWPP forecasted shortages. Under Focused Initiatives, the primary change was the implementation of EIM Phase 2 (April 1, 2021 Go-live), engagement of EDAM, and management of EIM Phase I. Under Regionalization, the CAISO Governance Review Committee effort will be included; BANC counsel serves on the Governance Review Committee.
- D. Mr. Shetler introduced Ms. Janice Zewe, the PC Committee Chair, who presented the BANC PC Area 2019 Transmission Planning Assessment. As BANC PC participants, MID, Redding, Roseville, SMUD are included in the assessment. WECC approved Base Cases were used this year, which was a change from the prior year; this was approved by PC participants. No issues were identified in the study results, so no corrective action plans are necessary.

Resolution 19-10-12 was updated to change the date the PC Committee members approved the Assessment from the 18<sup>th</sup> to the 21<sup>st</sup>.

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE  
BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

Mr. Lau moved, Mr. White seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 19-10-12 *Acknowledgement and Acceptance of BANC PC Area 2019 Transmission Planning Assessment*.

- E. Mr. Braun reviewed the proposed meeting dates for 2020 with the Commission. Note that meetings in Folsom have been scheduled as a result of MSR meetings occurring at noon on those days. Please also note that meetings held in Sacramento have been moved to 555 Capitol Mall, 3<sup>rd</sup> floor board room.

Mr. Salyer moved, Mr. Hauser seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 19-10-15 *Resolution Setting the Regular Meeting Dates for 2020*.

- F. Mr. White moved, Mr. Hauser seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 19-10-16 *Authorization of Amendment to Contract for Services Related to EDAM*.

- G. Mr. Shetler informed the Commission that it was likely that the November meeting would be adjourned. The planned December meeting may be required for contract-related approvals. Additional information will be forthcoming regarding the remaining meetings scheduled for 2019.

The meeting was adjourned at 2:59 p.m.

Minutes approved on January 22, 2020.

---

C. Anthony Braun, Secretary



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

**TO:** BANC Commission

**RE:** BANC Operator Report for October 2019

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- NWPP Reserve Energy Activations
  - 0 contingency requiring activation of NWPP
  - 0 MW average generation lost
  - 0 MW maximum generation lost
  - Generating unit(s) and date(s) affected: None
  - All recoveries within 0 minutes
- USF
  - 4 of 31 days with instances of USF mitigation procedure utilized
  - 0 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 17 minutes
  - Number of BAAL exceedance >10 minutes: 1
  - BAAL violation (BAAL exceedance >30 minutes): None

## Monthly Notes:

- No additional notes or impacts for October 2019

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,

City of Shasta Lake, and Sacramento Municipal Utility District



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

**TO:** BANC Commission

**RE:** BANC Operator Report for November 2019

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- NWPP Reserve Energy Activations
  - 0 contingency requiring activation of NWPP
  - 0 MW average generation lost
  - 0 MW maximum generation lost
  - Generating unit(s) and date(s) affected: None
  - All recoveries within 0 minutes
- USF
  - 6 of 30 days with instances of USF mitigation procedure utilized
  - 2 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 16 minutes
  - Number of BAAL exceedance >10 minutes: 1
  - BAAL violation (BAAL exceedance >30 minutes): None
- Quarterly Frequency Response (FR) Performance:
  - 2019 Frequency Response Obligation (FRO): -13.1 MW/0.1 Hz
  - 2019 Q3 Frequency Response Measure (FRM): -27.8 MW/0.1 Hz
  - 2019 Q1~Q3 Frequency Response Measure (FRM): -27.5 MW/0.1 Hz
  - 2019 Q3 Number of Events where FR>FRO: 1 out of 5
  - 2019 Q1~Q3 Number of Events where FR>FRO: 2 out of 14

## Monthly Notes:

- No additional notes or impacts for November 2019

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,

City of Shasta Lake, and Sacramento Municipal Utility District



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

**TO:** BANC Commission

**RE:** BANC Operator Report for December 2019

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- NWPP Reserve Energy Activations
  - 0 contingency requiring activation of NWPP
  - 0 MW average generation lost
  - 0 MW maximum generation lost
  - Generating unit(s) and date(s) affected: None
  - All recoveries within 0 minutes
- USF
  - 4 of 31 days with instances of USF mitigation procedure utilized
  - 0 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 6 minutes
  - Number of BAAL exceedance >10 minutes: 0
  - BAAL violation (BAAL exceedance >30 minutes): None
- Quarterly Frequency Response (FR) Performance:
  - 2019 Frequency Response Obligation (FRO): -13.1 MW/0.1 Hz
  - 2019 Q3 Frequency Response Measure (FRM): -27.8 MW/0.1 Hz
  - 2019 Q1~Q3 Frequency Response Measure (FRM): -27.5 MW/0.1 Hz
  - 2019 Q3 Number of Events where FR>FRO: 1 out of 5
  - 2019 Q1~Q3 Number of Events where FR>FRO: 2 out of 14

## Monthly Notes:

- No additional notes or impacts for December 2019

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,

City of Shasta Lake, and Sacramento Municipal Utility District

# Compliance Officer Report

## BANC Commission Meeting

### November 2019

---

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

#### **BA Compliance Issues:**

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- On November 7, 2019, staff submitted minor, non-substantive comments on WECC's draft BANC Audit Report. WECC found BANC to be fully compliant with all audited requirements applicable to the BA/PC functions, and the final audit report is expected by the end of Q4, 2019.
- Based on its compliance history and the quality and thoroughness of previous self-log narratives, WECC has invited BANC to submit self-logs on a bi-annual basis, rather than every quarter. BANC's next self-log will be submitted by January 31, 2020, and every six months thereafter.

#### **BANC MCRC:**

- The next BANC MCRC teleconference is scheduled to be held at 10:00 AM on Monday, December 9, 2019.

# Compliance Officer Report

## BANC Commission Meeting

### December 2019

---

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

#### **BA Compliance Issues:**

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- BANC's final 2020 Compliance Audit and Internal Controls Evaluation reports were presented to the BANC MCRC during the 12/09/2019 teleconference. There were no potential instances of non-compliance found during the audit; and WECC's assessment of BANC's internal controls program resulted in further reductions in the BANC audit scope, while citing the overall effectiveness and maturity of the program.
- The next BANC self-log will be submitted to WECC by 01/31/2020 and every six months thereafter. At present, there are no potential instances of non-compliance to report.

#### **BANC MCRC:**

- The next BANC MCRC teleconference is scheduled to be held at 10:00 AM on Monday, January 27, 2020.

# Compliance Officer Report

## BANC Commission Meeting

### January 2020

---

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

#### **BA Compliance Issues:**

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- BANC is in the process of reviewing compliance with 47 BA and/or PC applicable NERC Reliability Standards requirements (13 related to Critical Infrastructure Protection and 29 related to Operations/Planning) in preparation for the 2019 Self-Certification submittal to WECC. Self-certification statements are due prior to March 1, 2020. At present, there are no identified areas of concern.

#### **BANC MCRC:**

- The next BANC MCRC teleconference is scheduled to be held at 10:00 AM on Monday, January 27, 2020.

# PC Committee Chair Report

## BANC Commission Meeting

### November 2019

---

The following summarizes Planning Coordinator-related issues for the Commission's information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

#### **BANC PC Committee Issues:**

- SMUD staff continues to work toward demonstrating compliance with PC-related NERC reliability standards.
- TPL-001-4 (TPL) – A final version of the report was completed on October 21st, 2019. The Report has been posted on the BANC members only site and sent out to neighboring utilities. The TP reports for City of Redding and Roseville Electric have been sent out at the end of October, 2019.
- FAC-002-2 –Interconnection Impact Studies - The FAC-002 study report for the Natomas and Foothills 100 MVAR Shunt Capacitor Upgrade Projects at the SMUD transmission system has been finalized on October 10, 2019, and the Report has been posted on the BANC members only site along with the 230 kV Franklin Substation and Campbell Soup Power Plant Upgrade Project Reports.
- PRC-010-2 – Under Voltage Load Shedding – Staff completed the power flow and voltage stability study. The draft report will be sent out for everyone to review and comment by the end of November 2019.
- PRC-026-1- Relay Performance During Stable Power Swings – Staff completed the study, and the draft report will be sent out for everyone to review and comment by the end of November 2019.
- MOD-033-1 – System Model Validation – Staff finalized its bi-annual assessment for NERC standard MOD-033-1 requirement R1.1. The study compared the historical data provided by BANC PC members for August 15th, 2019 for that date's system peak. The load and generation data, along with system status for lines and caps, were applied to the WECC 19HS3a base case, and the resulting simulated line flows and bus voltages were compared to the historical data for that date. All compared values were within acceptable limits, and the steady-state models for the BANC PC area were validated.

The table below shows the current status of all PC-related standards:

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-2 Interconnection Studies	95%	Reports for SMUD Campbell Soup Power Plant Upgrade Project, Franklin 230 kV Substation and 230 kV Shunt Capacitor Upgrade Project were finalized and posted on the BANC members only site. Write RSAW at end of year.
2	FAC-010-3 SOL Methodology for Planning Horizon	95%	Write RSAW at end of year.
3	FAC-013-2 Transfer Capability for Near-Term Planning Horizon	95%	Final Report was sent out on 5/10/2019. Write RSAW at end of year.
4	FAC-014-2 Establish and Communicate SOLs	95%	Final Report was sent out on 8/1/2019. Write RSAW at end of year.
5	IRO-017-1 Outage Coordination	100%	Sent out TPL-001-4 Report at the end of October 2019.
6	MOD-031-2 Demand and Energy Data	0%	2020 cycle starts at the end of November.
7	MOD-032-1 Data for Power System Modeling & Analysis	90%	Ongoing activity. Write RSAW at end of year.
8	MOD-033-1 System Model Validation	100%	BANC system validated for R1.1 was completed.
9	PRC-006-2 Underfrequency Load Shedding	90%	Support WECC study. Write RSAW at end of year.
10	PRC-010-2 Undervoltage Load Shedding	90%	Study has been completed. Draft report will be sent out by the end of November 2019.
11	PRC-023-3 Transmission Relay Loadability	95%	Final Report on 9/25/2019. Write RSAW at the end of year.
12	PRC-026-1 Relay Performance During Stable Power Swings	85%	Study has been completed. Draft report will be sent out by the end of November 2019.
13	TPL-001-4 Transmission System Planning Performance	95%	Final Report has been posted on the BANC members only site. Write RSAW at the end of year.
14	TPL-007-1 GMD Transmission Performance	95%	Write RSAW at end of year.

# PC Committee Chair Report

## BANC Commission Meeting

### December 2019

---

The following summarizes Planning Coordinator-related issues for the Commission’s information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

#### **BANC PC Committee Issues:**

- SMUD staff continues to work toward demonstrating compliance with PC-related NERC reliability standards.
  - PRC-010-2 – Under Voltage Load Shedding – Staff completed the power flow and voltage stability study. The draft report will be sent out for everyone to review and comment by December 13, 2019.
  - PRC-026-1- Relay Performance During Stable Power Swings – Staff completed the study, and the draft report has been sent out for everyone to review and comment on November 26, 2019. The comments are due by December 13, 2019.
  - TPL-007-3 – Transmission System Planned Performance for Geomagnetic Disturbance Events – On December 2, 2019 Staff again sent out WECC Geomagnetic Induced Current (GIC) Assessment Report and GIC flows information for BOTH the Benchmarking (R5) and Supplemental (R9) thermal impacts as supporting evident for meeting the NERC Reliability Standards TPL-007-3 R9, which is due on January 1, 2020.
  - Writing RSAW for all PC-related NERC reliability standards.

The table below shows the current status of all PC-related standards:

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-2 Interconnection Studies	95%	Writing RSAW now.
2	FAC-010-3 SOL Methodology for Planning Horizon	95%	Writing RSAW now.
3	FAC-013-2 Transfer Capability for Near-Term Planning Horizon	95%	Final Report was sent out on 5/10/2019. Writing RSAW now.
4	FAC-014-2 Establish and Communicate SOLs	95%	Final Report was sent out on 8/1/2019. Writing RSAW now.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
5	IRO-017-1 Outage Coordination	100%	Sent out TPL-001-4 Report at the end of October 2019.
6	MOD-031-2 Demand and Energy Data	0%	Awaiting request from WECC to start 2020 cycle.
7	MOD-032-1 Data for Power System Modeling & Analysis	90%	Ongoing activity. Writing RSAW now.
8	MOD-033-1 System Model Validation	100%	BANC system validated for R1.1 was completed. Writing RSAW now.
9	PRC-006-2 Underfrequency Load Shedding	95%	Support WECC study. Writing RSAW now.
10	PRC-010-2 Undervoltage Load Shedding	90%	Study has been completed. Draft report will be sent out by 12/13/19. Writing RSAW now.
11	PRC-023-3 Transmission Relay Loadability	95%	Final Report sent out on 9/25/2019. Writing RSAW now.
12	PRC-026-1 Relay Performance During Stable Power Swings	90%	Draft report has been sent out on 11/26/2019. Comments are due by 12/13/2019. Writing RSAW now.
13	TPL-001-4 Transmission System Planning Performance	95%	Final Report has been posted on the BANC member only website. Writing RSAW now.
14	TPL-007-3 GMD Transmission Performance	100%	Final approved Agreement was sent on 6/27/2019. WECC GIC Assessment Report and GIC flows information were sent again on 12/02/2019.

# PC Committee Chair Report

## BANC Commission Meeting

### January 2020

---

The following summarizes Planning Coordinator-related issues for the Commission’s information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

#### **BANC PC Committee Issues:**

- SMUD staff start a new cycle and work toward demonstrating compliance with PC-related NERC reliability standards.
- MOD-031-2 – Demand and Energy Data - Staff initiated the process of collecting Loads and Resources (LAR) data for the BANC PC participants and WAPA (Sierra Nevada Region). LAR data will be submitted to WECC to meet the January 31<sup>st</sup>, 2020 deadline.
- PRC-012-2 – Remedial Action Schemes - The effective date of this new PRC-012-2 standard will be January 1<sup>st</sup>, 2021. Staff will send notification out to the BANC PC participants requesting the RAS from each entity. The scope of the study and responsibility of each requirement will be discussed and determined.
- Writing RSAWs for all PC-related NERC reliability standards, which are due to be submitted for internal review by January 31<sup>st</sup>, 2020.

The table below shows the current status of all PC-related standards:

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-2 Interconnection Studies	95%	Currently writing RSAW.
2	FAC-010-3 SOL Methodology for Planning Horizon	95%	Currently writing RSAW.
3	FAC-013-2 Transfer Capability for Near-Term Planning Horizon	95%	Final Report was sent out on 5/10/2019. Currently writing RSAW.
4	FAC-014-2 Establish and Communicate SOLs	95%	Final Report was sent out on 8/1/2019. Currently writing RSAW.
5	IRO-017-1 Outage Coordination	100%	Sent out TPL-001-4 Report at the end of October, 2019.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
6	MOD-031-2 Demand and Energy Data	10%	2020 Loads and Resources Data Request sent out on 12/31/2019.
7	MOD-032-1 Data for Power System Modeling & Analysis	100%	Ongoing activity. RSAW completed.
8	MOD-033-1 System Model Validation	100%	BANC system validated for R1.1 was completed. RSAW completed.
9	PRC-006-2 Underfrequency Load Shedding	95%	Support WECC study. Currently writing RSAW.
10	PRC-010-2 Undervoltage Load Shedding	95%	Study has been completed. Draft report will be sent out by December 13, 2019. Currently writing RSAW.
11	PRC-012-2 Remedial Action Schemes	0%	New Standard to be effective on 1/1/2021.
12	PRC-023-3 Transmission Relay Loadability	95%	Final Report sent out on 9/25/2019. Currently writing RSAW.
13	PRC-026-1 Relay Performance During Stable Power Swings	90%	Final report sent out on 12/30/2019. Currently writing RSAW.
14	TPL-001-4 Transmission System Planning Performance	100%	Final Report has been posted on the BANC member only website. RSAW completed.
15	TPL-007-3 GMD Transmission Performance	100%	Final approved Agreement was sent on June 27th, 2019. WECC GIC Assessment Report and GIC flows information were sent again on 12/02/2019.

# GM Report

## BANC Commission Meeting

### January 22, 2020

---

I wanted to summarize routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

#### **Outreach Efforts:**

Refer to GM outreach report provided under separate distribution. In addition, here are some other noteworthy items:

#### **LADWP/Seattle City Light/SRP/TID/Tacoma Power**

Dialogue continues with these entities regarding EIM participation. Based upon the group's discussions, we have agreed to continue to interact on an informal basis to make sure we are on the same page on EIM issues from a POU perspective. We are routinely holding bi-weekly calls to provide updates and discuss issues. To date, we have collaborated with the other POUs on joint language to use in the EIM Entity agreement that we will all need to sign for EIM operations, on how to address market-based rate authority with DMM, potential common language for OATT revisions, and joint comments on the EIM governance issues. We have also used this forum to discuss POU positions regarding the EDAM development. In addition, we have worked with the other three entities to agree upon the joint funding of BBSW to monitor CAISO interfaces for us. We have also confirmed Tacoma Power and TID interest in participating in the group.

#### **POU Western Markets Initiative**

BANC continues to participate in this effort, which is being coordinated by APPA. The group continues to evaluate how best to represent the POUs in the ever-changing power markets in the West.

#### **Market Initiatives:**

##### **EIM Participation**

The BANC EIM Phase 1 implementation effort was completed on April 3, 2019, with the successful go-live of BANC as the EIM Entity and SMUD as a Participating Resource. We are now monitoring EIM participation. SMUD provided a benefits update from their first quarter of operations at the July Commission meeting. We are working with SMUD to provide the benefits update presentation to a broader

audience of BANC members. The second quarter of EIM Phase 1 operations benefits was issued by the CAISO in October, which also showed positive results for SMUD.

The BANC EIM Phase 2 effort is moving forward. The EIM Phase 2 Participation Agreement has been executed by all of the entities. The EIM Phase 2 Implementation Agreement has been executed by both BANC and the CAISO and was accepted by FERC effective 12/11/19. Staff is coordinating with the Phase 2 participants and Utilicast to move forward with Phase 2 implementation with several meetings and discussions underway. The main focus for the project is defining WAPA transmission use approach, defining how the deviation band will be handled under EIM, and determining cost allocations methodologies for the various EIM cost codes. We have reached a tentative agreement on the WAPA transmission and deviation band issues. The cost allocation methodologies effort is proceeding well with initial agreement on about half of the cost codes.

### **EDAM Participation**

The EDAM Feasibility Assessment is complete. The CAISO issued an initial EDAM issues white paper on October 10 and held a stakeholder webinar on October 17. The CAISO has requested comments on the issues white paper by November 22. The EDAM Entities filed joint comments with the CAISO and BANC also filed supporting comments. It is expected that the CAISO will use most of 2020 to conduct the formal stakeholder process, including development of a straw proposal for EDAM, followed by tariff filings at FERC. The EDAM Entities have been using the last month to prepare for the first EDAM public stakeholder meeting on February 11-12, 2020. In addition, we have been doing outreach with other stakeholders to initiate dialogue on issues that will be addressed in the stakeholder process. An EDAM go-live, if there is sufficient interest by EIM entities to participate, is currently estimated to be early 2022 timeframe.

## **WAPA:**

### **Market Engagement**

We have included WAPA-SNR in our EIM Phase 2 planning efforts and WAPA-SNR is an active participant in our EIM Phase 2 efforts. As noted above, the main discussions with WAPA-SNR have been around the approach for use of WAPA-SNR transmission in EIM and how the deviation band will be handled in EIM.

### **San Luis Transmission Project**

WAPA-SNR has announced its intent to work with the Bureau of Reclamation and CDWR to construct the SLTP. BANC met with WAPA and the other parties to fully understand the implications of having this new transmission project in the BANC BA/WAPA-SNR sub-BA. The SLTP developers (DATC) have completed the open season on the additional capacity for the project. It is our understanding that DATC is in discussions with interested parties regarding participation in the SLTP. We will keep the Commission informed as more information becomes available.

## **Peak Reliability:**

### **Closure Activities**

Peak ceased operations as a registered RC on December 4, 2019. All remaining Peak staff were released effective 12/13/19. The final closure activities (terminating contracts, vacating facilities, etc.) are being handled by a closure administrator (Marie Jordan, former Peak CEO) and are forecast to be completed by 2<sup>nd</sup> Quarter 2020. Peak is forecasting under running its budget and that the Funding Parties will be receiving a rebate in mid-2020.

## **WECC**

### **WECC Board Meetings**

I attended the last set of WECC MAC and Board meetings in Salt Lake City, UT, on December 3-4, 2019, in my role as the BANC executive sponsor to WECC. The next meetings are March 10-11, 2020.

### **RC Services for the West**

With the completion of the RC transition from Peak to the new RCs, WECC and NERC have refocused their efforts from monitoring transition to monitoring operations of the RCs.

### **BANC/SMUD NERC/WECC Audit**

Our triennial audit for NERC standards' compliance was held from 9/3-13/19. BANC worked with SMUD to coordinate this effort. Preliminary results of the audit were positive and the final audit report has been received from WECC. Compliance Officer James Leigh-Kendall will provide an update the Commission on the audit results at the January meeting.

## **CDWR Delta Pumping Load:**

BANC is coordinating with SMUD, CDWR, WAPA, and the CAISO regarding how the construction and pumping loads and ancillary services will be provided for this project. The CAISO has reached out to BANC/SMUD/WAPA-SNR regarding contacts for initiating discussions on how CAISO will supply energy for the construction loads in our footprints. With the Governor's announcement that the project will be downsized from two to one tunnel, CDWR has withdrawn the current applications and will be submitting revised environmental documentation. We expect at least a 2-3 year delay in any start to the project.

## **SB100 Implementation**

As part of SB100, the CPUC, CEC, and CARB are required to collaborate with the California BAs to develop a quadrennial report on the status of achieving the goals of SB100. The initial report is due 1/1/21. CMUA is working with the four POU BAs

(BANC, IID, LADWP, and TID) to coordinate positions and responses. In addition, we have done outreach to the CAISO, PacifiCorp, NV Energy, and WAPA BA's in California to determine if there is benefit to all BAs coordinating on this effort. BANC filed comments with the agencies on 12/2/19. BANC stated that it supported the long-term goals of the State regarding GHG reductions. However, we also cautioned that the transition from the current mix of resources to the long-term resource mix needs to be done in an orderly manner to ensure that grid reliability and affordability can be maintained for the benefit of the end-use consumers. We also supported a "net zero" carbon approach to meeting the goals, at least on an interim basis. We are discussing how SB100 goals will impact BANC operations in the long-term with the Resource Committee and will be updating the Commission as these discussions evolve.

## **Strategic Initiatives**

An update of the 2019/2020 Strategic Initiatives is attached to this report.

BANC 2019/2020 Strategic Plan - Routine Initiatives - January 2020 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Develop long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing	Draft transition plan issued to Commission
3 Medium		Organizational Issues: ~ Develop BANC procedures & processes as appropriate	Jim Shetler/BBSW	4th Qtr. 2020	
4 Medium	OUTREACH	Engage in industry forums (WECC, Peak, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & NWPP Exec. Forum meetings
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TP, & TID on EIM
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BBSW	Ongoing as Necessary	Attend CREPC/WIRAB Mtg. 10/8-9/19
7 Medium	ASSETS	Evaluate joint options for resource needs for BA	Resource Committee	4th Qtr. 2020	
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	Discussions with WAPA-SNR

BANC 2019/2020 Strategic Plan - Routine Initiatives - January 2020 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage implementation of EIM Phase 2 participation effort	Jim Shetler/SMUD	4/1/21	Routine EIM Committee meetings being held
10 High		Manage EIM Phase 1	Jim Shetler/SMUD	Ongoing	
11 High		EDAM evaluation effort ~ CAISO Stakeholder Process ~ CAISO Tariff Development	Jim Shetler/BBSW Jim Shetler/BBSW	3rd Qtr. 2020 1st Qtr. 2021	Coordinating with EDAM SC
12 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, & Tacoma
13 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	
14 High		Regionalization: ~Monitor CAISO GRC effort	Jim Shetler/BBSW	3rd Qtr. 2020	GRC meeting; T. Braun selected
15 High		Coordinate with BAs on SB100 collaboration effort	Jim Shetler/BBSW	12/31/20	Participated in Redding workshop - 10/25/19 Submitted BANC comments 11/25/19
16 Medium	ASSETS	Evaluate resource criteria for BANC long-term needs	Jim S./Res. Com.	4th Qtr. 2020	Holding discussions at Resource Committee
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM	Jim S.	4th Qtr. 2020	Evaluating software procurement options

## Balancing Authority of Northern California

### Agenda Item 5A

1. **Resolution 20-01-14 *Resolution Commending and Thanking Greg Salyer for His Service to the Balancing Authority of Northern California.***

**Balancing Authority of Northern California  
Resolution 20-01-14**

**RESOLUTION COMMENDING AND THANKING GREG SALYER FOR HIS SERVICE TO THE  
BALANCING AUTHORITY OF NORTHERN CALIFORNIA**

WHEREAS, the Balancing Authority of Northern California (“BANC”) was created by a Joint Powers Agreement (“JPA”) to, among other things, acquire, construct, maintain, operate, and finance Projects; and

WHEREAS, Greg Salyer, as Modesto Irrigation District’s (“MID”) Senior Assistant General Manager, was instrumental in BANC’s ongoing operations; and

WHEREAS, Mr. Salyer served faithfully as a Commissioner from his initial appointment in 2013 until his retirement from MID on December 20, 2019 and BANC’s Commission Chairperson from 2017 to 2019; and

WHEREAS, Mr. Salyer served BANC with great devotion, and was a worthy and faithful representative of the Commission; and

WHEREAS, Mr. Salyer’s roles on the BANC Commission and at MID were essential to ensure the successful operation of the BANC Balancing Authority; and

WHEREAS, through his service to BANC, Mr. Salyer has gained the respect and admiration of his colleagues on the Commission.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby:

1. Commend and thank Greg Salyer for his outstanding work with the Balancing Authority of Northern California and extend to him their best wishes for all of his future endeavors.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22<sup>nd</sup> day of January, 2020, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Michelle Bertolino				
City of Shasta Lake	James Takehara				
SMUD	Arlen Orchard				
TPUD	Paul Hauser				

\_\_\_\_\_  
Dan Beans  
Chair

\_\_\_\_\_  
Attest by: C. Anthony Braun  
Secretary

## Balancing Authority of Northern California

### Agenda Item 5B

1. **Resolution 20-01-15 *Authorization of Contract for Services Related to EDAM Market Support.***

# Braun Blaising Smith Wynne, P.C.

Attorneys at Law

January 15, 2020

TO: BANC Commission

FROM: BANC Counsel

**RE: Authorization of Contract for Services Related to EDAM Market Support**

In prior discussions with the Commission, the BANC General Manager has indicated the intent to engage consulting services associated with current and anticipated market design issues that may arise due to participation in the proposed Enhanced Day Ahead Market (EDAM). The 2020 budget approved by the Commission includes funding for this engagement.

In order to ensure consulting services are in place to enhance support for the EDAM stakeholder design, the General Manager requested proposals from firms and individuals that were recognized to have knowledge in this area and would be deemed likely to be a good fit for BANC and what the members wish to accomplish by engagement of these services. Two entities provided proposals that included general support and reporting on the CAISO stakeholder process, with identification of EDAM design issues that could impact BANC and its members and focused support to address specific issues that warrant further analyses and discussion. Based upon review by the General Manager and Legal Counsel, both proposals were considered acceptable. It is our recommendation that we engage Customized Energy Solutions (CES) to provide these services to BANC.

The General Manager's delegated contracting authority is limited to \$25,000. However, it is the judgment of the General Manager and BANC Counsel that it is possible, and indeed likely, that desired consulting services for the above-described tasks, will exceed this delegated authority. As such, the General Manager is requesting Commission approval and authorization to engage CES up to a total expenditure of \$140,000 for the period of January 2020 through March 2021, with specific task orders to be determined by the General Manager. This amount is within the current 2020 budget approved by the Commission, and we anticipate consideration of these services again in the 2021 budget, which will be brought forward for Commission approval later in 2020.

This authorization is limited to this contract, and the General Manager is not seeking broader delegations at this time.

**Balancing Authority of Northern California  
Resolution 20-01-15**

**AUTHORIZATION OF CONTRACT FOR SERVICES RELATED TO EDAM MARKET SUPPORT**

WHEREAS, the Balancing Authority of Northern California (“BANC”) was created by a Joint Powers Agreement (“JPA”) to, among other things, acquire, construct, maintain, operate, and finance Projects; and

WHEREAS, BANC has been seeking assistance to evaluate and review current anticipated market design issues that may arise due to participation in the proposed Extended Day Ahead Market (“EDAM”); and

WHEREAS, BANC needs additional analysis performed on behalf of the potential BANC EDAM participants; and

WHEREAS, BANC requires additional subject matter expertise in their evaluation of market issues; and

WHEREAS the BANC General Manager’s delegated contracting authority is limited to \$25,000;

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby:

Authorize the General Manager to enter into a contract with Customized Energy Solutions (CES) for an amount not to exceed \$140,000, with specific task orders to be determined by the General Manager, for the period of January 2020 through March 2021.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22nd day of January 2020, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Michelle Bertolino				
City of Shasta Lake	James Takehara				
SMUD	Arlen Orchard				
TPUD	Paul Hauser				

---

Dan Beans  
Chair

---

Attest by: C. Anthony Braun  
Secretary