

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, January 25, 2023

Teleconference Meeting

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 25, 2023 at 2:00 p.m.** **This meeting will be conducted pursuant to the provisions of Assembly Bill 361. Some, or all, of the Commissioners may attend the meeting electronically or telephonically.**

The following information is being provided as the forum by which members of the public may observe the meeting and offer public comment:

Phone: 1-646-558-8656 or 1-309-205-3325

Meeting ID: 844 4593 2926

Passcode: 266038

Meeting Link: <https://us06web.zoom.us/j/84445932926?pwd=QXpzZUVkNTRCTDFpS3VobWdoSVlBUT09&from=addon>

AGENDA

- 1 Call to Order and Verification of Quorum.**
- 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. Resolution 23-01-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.*
 - B. Minutes of the Regular Commission Meeting and Strategic Planning Session held on September 28, 2022.
 - C. BANC Operator Reports (November and December).
 - D. Compliance Officer Reports (December and January).
 - E. PC Committee Chair Reports (December and January).
 - F. General Manager’s Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. General Manager Updates.
 - i. Market Updates – EIM, EDAM, Markets+, WMEG, WRAP.
 - ii. SB100 Update.
 - iii. Resource Adequacy (RA) Principles & Guidelines.
 - iv. September Heat Wave Follow-up.
 - v. Update on Administrative Activities.
 - B. Consider and Possibly Approve Resolution 23-01-02 *Approval of Revised 2023 Annual Budget for BANC.*
 - C. Consider and Possibly Approve Resolution 23-01-03 *Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Evaluation Support.*
 - D. Consider and Possibly Approve Resolution 23-01-04 *Authorization of Audit Services Contract Extension with Baker-Tilly US, LLP.*
 - E. Consider and Possibly Approve Resolution 23-01-05 *Authorization of Amended Legal Services Agreement with Braun Blasing & Wynne, P.C.*
 - F. Member Updates.
- 6 Adjournment.**

Accessible Public Meetings - Upon request, BANC will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 3 days before the meeting. Requests should be sent to: Kris Kirkegaard, 555 Capitol Mall, Suite 570, Sacramento, CA 95814 or to administrator@braunlegal.com.

Balancing Authority of Northern California

Consent Agenda Items

- A. Resolution 23-01-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.*
- B. Minutes of the November 16, 2022 BANC Regular Meeting and Strategic Planning Session.
- C. BANC Operator Reports (November and December).
- D. Compliance Officer Reports (December and January).
- E. PC Committee Chair Reports (December and January).
- F. General Manager Report and Strategic Initiatives Update.

**Balancing Authority of Northern California
Resolution 23-01-01**

**DETERMINATION THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO
THE HEALTH OR SAFETY OF ATTENDEES AS A RESULT OF
THE PROCLAIMED STATE OF EMERGENCY**

WHEREAS, on March 4, 2020 the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 authorizing exemptions to certain notice requirements under the Ralph M. Brown Act to facilitate virtual meetings of a legislative body of a local agency; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-12 extending the provisions of N-29-20 until September 30, 2021; and

WHEREAS, on September 16, 2021, the Governor of California signed Assembly Bill 361 which provides for the continued suspension of certain notice requirements for virtual meeting when a legislative body of a local agency holds a meeting during a declared state of emergency and either:

- (1) state or local officials have imposed or recommended measures to promote social distancing,
or
(2) the legislative body holds a meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, pursuant to AB 361, a legislative body of a local agency must, not later than 30 days after teleconferencing for the first time pursuant to AB 361, and every 30 days thereafter, reconsider the circumstances of the state of emergency and determine that the state of emergency continues to directly impact the ability of the members to meet safely in person.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California have reconsidered the state of emergency and hereby determine that meeting in person continues to present imminent risks to the health or safety of attendees as a result of the proclaimed state of emergency.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 25th day of January, 2023.

James McFall
Chair

Attest by: C. Anthony Braun
Secretary

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

November 16, 2022

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held telephonically, pursuant to the provisions of Assembly Bill 361.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	James McFall, Chair
City of Redding	Nick Zettel
City of Roseville	Dan Beans
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Paul Hauser

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kevin Smith	General Counsel
Brittany Iles	General Counsel
Kris Kirkegaard	General Counsel Support
Mark Willis	BANC Operator
James Leigh-Kendall	BANC Compliance Officer
Janice Zewe	BANC Planning Coordinator Chair
Jeanne Haas	WAPA

1. Call to Order: Mr. Shetler verified that there was a quorum to proceed; attendance is noted above. Chair McFall called the meeting to order at 2:00 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair McFall invited comments from the Commission on the Consent Agenda, and there were none.

ACTION: M/S (Beans/Hauser) to **approve the Consent Agenda**. Motion carried by a unanimous roll call vote.

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

5. Regular Agenda Items.

A. General Manager Updates:

i. Market Updates – EIM, EDAM, Markets+, WMEG, WRAP:

Mr. Shetler provided a brief overview of ongoing operations, benefits, EIM Committee oversight, EDAM key dates and status updates, and the latest on Markets+, WMEG, and WRAP, responding to questions from the Commissioners.

ii. SB100 Update.

Mr. Shetler noted that the California Energy Commission is initiating efforts for development of the next report, which is due January 1, 2025.

iii. Resource Adequacy (RA) Principles & Guidelines.

Mr. Shetler reported that the Resource Committee has formed a subgroup, which is reviewing the draft proposal.

B. Resolution 22-11-02 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2022 Transmission Planning Assessment.

Mr. Shetler introduced Janice Zewe, the BANC PC Chair and Manager, Transmission Planning for SMUD, who reviewed the Assessment with the Commission and responded to questions.

ACTION: M/S (Zettel/ Beans) to **approve Resolution 22-11-02 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2022 Transmission Planning Assessment.** Motion carried by a unanimous roll call vote.

C. Draft BANC 2022/2023 Strategic Initiatives Review and Possible Acceptance.

Mr. Shetler introduced this item, accepted input, and responded to questions from the Commission. The Commission accepted the Strategic Initiatives with proposed updates.

D. Resolution 22-11-03 Approval of Amended Management Services Agreement between BANC and Adirondack Power Consulting, LLC.

Chair McFall introduced this item. There were no questions from the Commission. Multiple commissioners commended Mr. Shetler and offered support for the proposed resolution.

ACTION: M/S (Lewis/Beans) to **approve Resolution 22-11-03 Approval of Amended Management Services Agreement between BANC and Adirondack Power Consulting, LLC.** Motion carried by a unanimous roll call vote.

E. Resolution 22-11-04 Approval of 2023 Annual Budget for BANC.

Mr. Shetler introduced this item and walked through the budget updates. There were no questions from the Commission.

ACTION: M/S (Zettel/Beans) to **approve Resolution 22-11-04 Approval of 2023 Annual Budget for BANC.** Motion carried by a unanimous roll call vote.

F. Discussion on End of CA State of Emergency and Meeting Impacts.

Mr. Braun introduced Ms. Iles, who walked through this item. There were no questions from the Commission.

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

G. Resolution 22-11-05 Resolution Setting the Regular Meeting Dates for 2023.

Mr. Shetler introduced Ms. Kirkegaard who reviewed the 2023 calendar with the Commission. There were no comments or questions from the Commission.

ACTION: M/S (Hauser/Zettel) to approve Resolution 22-11-05 Resolution Setting the Regular Meeting Dates for 2023. Motion carried by a unanimous roll call vote.
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H. Member updates.

Mr. Shetler noted that there were currently no anticipated agenda items for a December meeting, but a decision about whether a meeting would be required would be made closer to the meeting date. Commissioner McFall noted that MID's board had approved an agreement with CDWR for state-sited generation, with a target date of July 2023.

The Commission adjourned at 3:06 p.m.

Minutes approved on January 25, 2023.

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 November 2022

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- 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
 - 5 of 30 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: 4 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2022 Frequency Response Obligation (FRO): -19.0 MW/0.1Hz
 - Q3 Frequency Response Measure (FRM): -67.1 MW/0.1Hz
 - Q3 Number of Under-Performed Events: 0 out of 4
 - Q1~Q3 Frequency Response Measure (FRM): -45.1 MW/0.1Hz
 - Q1~Q3 Number of Under-Performed Events: 2 out of 16

Monthly Notes:

- No additional notes or impacts

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 2022

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- 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
 - 29 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: 5 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2022 Frequency Response Obligation (FRO): -19.0 MW/0.1Hz
 - Q3 Frequency Response Measure (FRM): -67.1 MW/0.1Hz
 - Q3 Number of Under-Performed Events: 0 out of 4
 - Q1~Q3 Frequency Response Measure (FRM): -45.1 MW/0.1Hz
 - Q1~Q3 Number of Under-Performed Events: 2 out of 16

Monthly Notes:

- No additional notes or impacts

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

December 2022

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified 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.
- The BANC 2022 Non-Public Audit Report was received on November 30th. This report has been made available to Member Compliance Review Committee (MCRC) members.

BANC MCRC:

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 23rd via teleconference.

Compliance Officer Report

BANC Commission Meeting

January 2023

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

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 23rd via teleconference.

PC Committee Chair Report

BANC Commission Meeting

December 2022

The following summarizes Planning Coordinator-related activities and updates 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 Updates and/or activities:

SMUD staff continue to work toward demonstrating compliance with PC-related NERC reliability standards.

- TPL-001-5 - Transmission System Planning Performance – The 2022 BANC PC Annual Assessment Report was approved by the BANC Commission during their November meeting. On November 28th, the assessment report was distributed to the adjacent Transmission Planners and Planning Coordinators in accordance with requirement R8 of the TPL-001-5 standard (neighboring entities who are not adjacent TPs or PCs are receiving a courtesy copy). On the same day, the report was sent to the reliability coordinator, RC West, in compliance with IRO-017, requirement R3.
- MOD-031-2 – Demand and Energy Data – WECC has informed entities that the 2023 Loads and Resources data request process will start soon. Part 1 of the data request is expected to be requested by WECC around the middle of December and will be coordinated amongst BANC PC members when received.
- MOD-033-2 – Draft study report has been sent out to BANC PC participants for review, and comments are due back by December 16th.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-3 Interconnection Studies (FAC-002-4 after NERC BOT approval, and effective date provided)	100%	There are no new projects in BANC PC Participant area for 2022 which require FAC-002-3 assessments. The BANC PC Qualified Changes document has been finalized and posted on the BANC member site.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	The finalized version was sent to external stakeholders and BANC PC Participants on 12/28/20.
3	FAC-014-2 Establish and Communicate SOLs	100%	Comments received were incorporated into the 2022 BANC PC FAC-014-2 Report. This report was finalized and shared with key stakeholders and BANC PC Participants on 08/26/22. This report was also posted on the BANC member site on 09/28/22.
4	IRO-017-1 Outage Coordination	100%	The 2022 BANC PC Annual Assessment Report was sent to the reliability coordinator, RC West on 11/28/2022.
5	MOD-031-2 Demand and Energy Data	100%	2022 Loads and Resources Parts One, Two, and Supplemental were completed and uploaded to the WECC EFT server.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
7	MOD-033-1 System Model Validation	90%	Draft study report has been sent out to PC Participants for review, comments are due back by 12/16/22.
8	PRC-006-5 Underfrequency Load Shedding	100%	Staff has been participating on regular webinars hosted by WECC staff. The latest webinar was on 09/14/22, and WECC staff shared the generation imbalance study results, and there were no concerns for the Southern Island and overall WECC Island that BANC Identifies as being a part of for BANC's UFLS program.

	PC Standard	Estimated % Complete	Notes
9	PRC-010-2 Undervoltage Load Shedding	100%	Study has been completed. The report was finalized on 12/30/19.
10	PRC-012-2 Remedial Action Schemes	80%	New Standard effective on 01/01/21. Study Plan finalized 04/10/20. Working on performing studies for each RAS scheme.
11	PRC-023-4 Transmission Relay Loadability	100%	Staff finalized the 2022 BANC PC PRC-023-4 report and distributed it on 07/22/22. This report was also posted on the BANC member site on 09/28/22.
12	PRC-026-1 Relay Performance During Stable Power Swings	100%	Staff shared the final 2022 BANC PC PRC-026-1 assessment report on 09/16/22 to BANC PC Participants. This report was also posted on the BANC member *site on 09/28/22.
13	TPL-001-5 Transmission System Planning Performance	100%	The 2022 BANC PC Annual Assessment Report was approved by the BANC Commission and distributed to the adjacent Transmission Planners and Planning Coordinators on 11/28/2022.

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation.</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements is 07/01/21.</p> <p>Ongoing, NERC has declared a GMD event (Kp>7) for reporting purpose. The GMD event duration was from 11/03 2021 3:00pm to 11/04/2021 11:59pm. Recording data for these two events was downloaded and saved for reporting prior to the annual due date (06/30/22).</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/22).</p> <p>Completed benchmarking and supplemental GMD Vulnerability Assessment of the Near-Term Transmission Planning Horizon (R4 and R8), provided GIC flow information to the BANC PC members (R5 and R9) – Due 01/01/23.</p>

PC Committee Chair Report

BANC Commission Meeting

January 2023

The following summarizes Planning Coordinator-related activities and updates 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 Updates and/or activities:

SMUD staff continue to work toward demonstrating compliance with PC-related NERC reliability standards.

- TPL-001-5 - Transmission System Planning Performance – The 2023 BANC PC TPL-001-5 Assessment Study Plan is currently being drafted along with the assessment schedule.
- MOD-031-2 – Demand and Energy Data – Staff is coordinating the 2023 Loads and Data request cycle. WECC broke up the data request into multiple spreadsheets with two sets of due dates. The first set of sheets are due January 30th.
- MOD-033-2 – Draft study report has been sent out to BANC PC participants for review, and comments were due back by December 16th.
- PRC-006-5 - Automatic Underfrequency Load Shedding – Staff is reviewing the UFLSWG Assessment Methodology Document and will provide comments to WECC by January 17th in accordance with the request received from WECC.
- Staff is currently updating the excel file of “BANC PC NERC Standards Data Requests and Schedule” and will send the file out to the BANC PC participants for review and comment at the end of January so all BANC PC participants will have the schedule to manage workload.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-3 Interconnection Studies	0%	A data request will be sent out soon requesting a list of all planned near-term projects from BANC PC participants for 2023-2025.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	An updated version was sent to external stakeholders and BANC PC Participants on 12/31/2022.
3	FAC-014-2 Establish and Communicate SOLs	0%	2023 FAC-014-2 SOLs will be established based on this year's study plan.
4	IRO-017-1 Outage Coordination	0%	Awaiting the completion of the 2023 annual assessment to send to the reliability coordinator
5	MOD-031-2 Demand and Energy Data	25%	Staff is coordinating the 2023 data request cycle. First set of spreadsheets are due 01/30 2023.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
7	MOD-033-1 System Model Validation	0%	Ongoing activity.
8	PRC-006-5 Underfrequency Load Shedding	0%	New BANC PC data request cycle will begin when the WECC OFSPR group data collector sends out a request in April-May 2023 timeframe. Staff has been participating WECC UFLSWG on regular webinars hosted by WECC staff.
9	PRC-010-2 Undervoltage Load Shedding	100%	Study has been completed. The report was finalized on 12/30/2019.
10	PRC-012-2 Remedial Action Schemes	80%	New Standard effective on 01/01/2021. Study Plan has been finalized on 04/10/2020. Working on performing studies for each RAS scheme.

	PC Standard	Estimated % Complete	Notes
11	PRC-023-4 Transmission Relay Loadability	0%	A new study plan for the 2023 assessment will be shared with BANC PC participants for review in the upcoming months to kick off this year's assessment cycle.
12	PRC-026-1 Relay Performance During Stable Power Swings	0%	A new study plan for the 2023 assessment will be shared with BANC PC participants for review in the upcoming months to kick off this year's assessment cycle.
13	TPL-001-5 Transmission System Planning Performance	0%	The 2023 BANC PC study plan and schedule are being drafted

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements is 07/01/2021</p> <p>Ongoing, NERC has declared a GMD event (Kp>7) for reporting purpose. The GMD event duration was from 11/3/2021 3:00pm to 11/4/2021 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/2022)</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/2022).</p> <p>Completed benchmarking and supplemental GMD Vulnerability Assessment of the Near-Term Transmission Planning Horizon (R4 and R8), provided GIC flow information to the BANC PC members (R5 and R9) – Due 01/01/2023</p>

GM Report

BANC Commission Meeting

January 25, 2023

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

Dialogue continues with these entities regarding EIM participation. We continue to interact on an informal basis to make sure we are aligned on EIM issues from a POU perspective. We are routinely holding bi-weekly calls to provide updates and discuss issues. We have also used this forum to discuss POU positions regarding the EDAM development, other market design issues (e.g.- SPP Markets+), and to discuss potential summer heat wave impacts on EIM and EDAM design.

POU Western Markets Initiative

BANC continues to participate in this effort, which is being coordinated by APPA. The group has stepped back and is taking a less formal role with occasional update conference calls. The last call was on September 29, 2022.

Coronavirus Restrictions

With the recent lifting of restrictions, BANC has transitioned to using a hybrid meeting model, both for our own internal member meetings, as well as outside meetings. We are moving to more in-person meetings as appropriate. In addition, the BANC BA Operator (SMUD) has started transitioning staff back to the office.

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports continue to show that BANC is seeing benefits from EIM participation, with the 3rd Quarter 2022 report showing gross benefits of \$111.54 million for BANC, with a total of \$374.04 millions of gross benefits for BANC since joining in 2019.

With respect to BANC EIM Phase 2 effort, BANC has been passing both the EIM Capacity and Flex Ramp tests with a high success rate. Both the Technical Evaluation Subcommittee and the Settlements Subcommittee are meeting routinely and evaluating EIM operations, with reports out to the EIM Committee.

EDAM Participation

The CAISO EDAM stakeholder process was relaunched in late 2021 with an initial working group formation meeting in December and kick-off detailed working group meetings in early January. The CAISO did wrap-up the work group meetings in late March 2022 and issued the initial straw proposal on April 28, 2022. The CAISO hosted a stakeholder meeting on the straw proposal from May 25-26, 2022, with stakeholder comments filed June 16, 2022, including BANC's. The CAISO held a series of technical workshops through the end of July 2022 and issued a second straw proposal on August 16, 2022. Additional stakeholder meetings were held in August and September. BANC filed comments in general support of the straw proposal. The final straw proposal was issued on October 31, 2022. The CAISO provided a review of the final EDAM straw proposal to the EIM Governing Body/CAISO Board of Governor at their December 14, 2022, meeting. The CAISO is seeking approval by the Governing Body/Board of Governors at their February 1, 2023, meeting and plans to file a revised EDAM tariff at FERC by mid-2023. BANC anticipates attending the December meeting and making supportive comments.

Other Market Developments

In parallel with the re-initiation of the EDAM process, two other West-wide market developments are also in process:

1. SPP has announced its "Markets +" effort to support utilities in the West with a range of market options from EIM to full RTO services. SPP held stakeholder information sessions on November 17, 2021, and December 1, 2021, to explain their initial concepts. Their stakeholder work group meetings were initiated in January 2022 seeking input on a final design. BANC staff participate in periodic status update meetings as appropriate. SPP has provided a final straw proposal in late 2022. They are currently looking for participant interest and financial commitments, with a planned detailed design development in 2023-2024, implementation in 2024-2025, and a go live in 2026. Some Western entities have publicly indicated their intent to fund the next phase of Markets+ development. Staff views Markets+ as a fallback option for BANC and will continue to monitor this market option but does not plan on seeking funding for participation in this next phase of their efforts.
2. A group of Western utilities have formed a group called Western Market Exploratory Group (WMEG) with a stated purpose of identifying what a full market in the West should entail. They have hired Utilicast to assist in this effort. BANC has executed the necessary agreements to participate in the WMEG as authorized by the Commission at the May meeting. The WMEG has selected E3 to conduct a cost benefits analysis considering different future market options. As noted in prior communications, BANC has elected not to

fund and formally participate in this study. However, we will support providing data for the study and will be provided the overall results of the study. Current forecast is for the cost benefit study to be done in the first half of 2023.

WAPA:

Market Engagement

WAPA-SNR continues to be an active participant in the EIM.

We have also held several discussions with WAPA-SNR on how staff could assist in their decision-making on EDAM participation. This has included joint discussions with the CAISO.

WECC

WECC Board Meetings

The last set of Board and committee meetings was held on December 5-6, 2022, in Salt Lake City, UT. The next set of meetings will be March 7-8, 2023, in Salt Lake City, UT, which the BANC GM intends to attend.

WPP

Resource Adequacy Project

As agreed previously, BANC has informed WPP that it will not be participating in Phase 3 of the Western Resource Adequacy Program (WRAP) due to our lack of ability to have firm, long-term transfer capability at Mid-C, which is the hub for the WRAP interchanges. BANC continues to monitor development of the WRAP and hold discussions with WPP regarding our ability to participate in the future. SPP has indicated that they intend to use the WRAP as the model of a Resource Adequacy program for “Markets +” development. However, an entity does not have to be a WRAP participant to join “Markets+” but does need to have an equivalent Resource Adequacy program. WPP filed the tariff for the WRAP at FERC on August 31, 2022. There were some interventions filed by the September 30, 2022, due date. BANC has filed a “plain vanilla” intervention in order to be able to monitor the proceedings. FERC issued a deficiency letter to WPP on November 21, 2022, and WPP submitted a response on December 12, 2022. Though WPP was seeking an effective date for the WRAP tariff of 1/1/23, FERC has not yet approved the tariff. WPP has issued requests to the WRAP participants for additional funding to continue the effort into 2023. To date a large number of the PNW entities have stated their intent to provide funding for the next phase of the program.

RSG and FRSG Participation

BANC continues to participate in the Reserve Sharing Group and the Frequency Response Sharing Group through the WPP and receive benefits in doing so.

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. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule and SMUD is initiating updated studies. The current schedule for the project is to initiate construction in 2030 with operations initiated in 2040.

SB100 Implementation

As part of SB100, the CPUC, CEC, and CARB (Joint Agencies) are required to collaborate with the California BAs to develop a quadrennial report on the status of achieving the goals of SB100. The four POU BAs (BANC, IID, LADWP, and TID) are collaborating on positions and responses. The final, initial report was issued on 3/15/21. The CEC did reach out to the POU BAAs via CMUA in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. The POU BAAs are coordinating via CMUA on how to engage in this request. A subgroup of the POU BAAs, including BANC, participated in a Joint Agency SB100 workshop on June 2, 2021. We have also had several follow-up discussions with the Joint Agencies. Based upon recent discussions, the POU BAAs have hired a consultant via CMUA to assist in this effort. We are also working on concepts for a reliability analysis effort and providing current known interconnection queue information as well as forecast renewable resource procurement assumptions. The Joint Agencies have also indicated that they will be initiating the next cycle of the SB100 effort to support issuing an update report by the required date of 1/1/25.

Post-September Heat Wave Discussions

The State has outreached to the POU BAAs, including BANC, on two fronts. One outreach from the Governor's Office and CEC seeking lessons-learned from our experiences during the September 2022 Heat Wave that could be used to improve responses for next year. Second is outreach from the CEC seeking input for the report required under AB205 on the recent heat wave and preparations for next year. CMUA is providing coordination for this effort, and we along with the other POU BAAs have provided responses.

Western Electricity Industry Leaders (WEIL) Group

The WEIL CEOs last met on October 28, 2022, in Portland, OR. The next meeting of the WEIL group is planned for March 3, 2023, in San Diego, CA.

Strategic Initiatives

The 2022/2023 Strategic Initiatives updates are attached to this report.

BANC 2022/2023 Strategic Plan - Routine Initiatives - January 2023 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		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2023	
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, 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/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W/WEL	Ongoing as Necessary	FERC update discussion 1/12
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W/WEL	Ongoing	Continue periodic discussions on areas of collaboration
8 Medium	ASSETS	Establish BANC criteria for RA	Jim S./Res. Com.	4th Qtr. 2022	Reviewing draft with sub-committee
9 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2022/2023 Strategic Plan - Focused Initiatives - January 2023 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
10 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
11 High		EDAM evaluation effort ~ CAISO Stakeholder Process	Jim Shetler/BB&W/WEL	Dec-22	Attended 12/22 BOG mtg.
		~ CAISO Tariff Development ~ BANC EDAM participation decision	Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL/ Commission	Mid-2023 4th Qtr. 2023	Finalizing draft gap analysis & benefits study
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		Market Regionalization: ~ Monitor ongoing discussions at WEIL & other venues	Jim Shetler/BB&W/WEL	Ongoing	Participating at WEIL/WMEG
15 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	
16 Medium	ASSETS	~ Evaluate state & federal funding for BANC projects ~ Evaluate future BANC projects	Jim S./BB&W/Res. Com. Jim S./BB&W/Res. Com.	2nd Qtr. 2023 12/1/23	
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5B

1. **Attachment to Memo: Redline Version of Amended 2023 BANC Budget.**
2. **Resolution 23-01-02 *Approval of Revised 2023 Annual Budget for BANC.***
3. **Attachment A to Resolution 23-01-02 *2023 BANC Budget - Amended 1/25/23.***



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. Box 15830 • MS B305 • SACRAMENTO • CA 95852 -1830

1/20/23

To: BANC Commissioners
From: Jim Shetler, General Manager
RE: 2023 Budget Amendment

After the November Commission meeting where the 2023 Budget was approved, staff identified two errors in the 2023 BANC Budget document included in the Commission packet and an additional error found in a follow-up review. These three errors are as follows:

1. PA-4: EDAM and Other Markets Evaluation: The participant funding allocation amounts shown in the document approved in November were calculated using the wrong allocation percentages. The allocation percentages shown in the Budget are correct. The amendment corrects this allocation. There is no increase in the total PA-4 funding request.
2. PA-5: EIM Participation: Roseville's percentage has been adjusted to 6.8%; an incorrect percentage of 6.9% had been applied.
3. 2023 Member Assessments: The summary chart included in the document approved in November had an incorrect entree for PA-4. The document showed a total of \$185,700, which was based on an earlier estimate, as opposed to the proposed amount of \$478,170 listed under the details for PA-4. This also results in the total BANC 2023 Budget increasing from \$7,776,289.55 to \$8,063,999.81, which also incorporates the Roseville adjustment to PA-5.

In addition to correcting the above noted errors, staff is also proposing to adjust the estimate for PA-4 to accommodate the fact that the assumptions for 2023 had EDAM benefits analyses completed in 2022. It is now evident that more time is needed in 2023 to work with Brattle to complete this effort. Therefore, staff is also proposing adjusting the contract support in PA-4 by reducing support from Utilicast to \$60,000 and adding \$60,000 for EDAM benefit analysis. This results in no overall increase in the PA-4 proposed budget. In discussing this issue with Utilicast, we are comfortable that this change will continue to allow for Utilicast support for EDAM at least through June 2023 and potentially longer. Staff intends to return to the EIM Committee and the Commission in mid-2023 with potential adjustments to the 2023 Budget for possible EDAM participation based upon participant discussions during the first half of 2023.

With respect to the errors noted in the 2023 Budget document provided to the Commission, staff is obviously embarrassed and wishes to apologize to the Commission for this

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,
and Sacramento Municipal Utility District

incident. In reviewing this issue, staff is also implementing the following additional steps to help prevent a reoccurrence:

1. Have independent review of the spreadsheets developed for the budget to verify accuracy and that assumptions are properly incorporated.
2. Joint page by page review of the draft budget by the General Manager and the independent reviewer to verify accuracy before submitting to the Commission for approval.

These steps were applied for the proposed budget amendment.

Therefore, staff is recommending that the Commission approve the amended 2023 BANC Budget as proposed in the redline version attached to this memo.

BANC 2023 Budget

~~October 2022 – Draft~~

Amended – 1/25/23

1. Base Budget

a. General Manager Expenses = **\$378,000**

- i. Scope: General Manager retainer (@\$30,000/mo.) and expenses (@\$1,500/mo.)
- ii. Assumptions: Increase in retainer from 2020-2022 and increase travel expenses with expectation of more in-person regional meetings

b. Legal Services = **\$575,000**

- i. Assumptions: Increase in base legal services from 2022 of 8% for BB&W, keep WEL at \$16,000/month, with the notation that additional legal services may be required based on the level of activity in overall engagement. The proposed increase reflects several factors. Salary and other business cost pressures have increased substantially. Also, based on discussions with the General Manager, we anticipate tackling policy and delegation matters for the agency this year. Finally, given the pace of overall activity, such as ongoing state legislation, summer reliability initiatives, and similar matters, it seems reasonable to anticipate considerable non-project specific work. We believe additional travel is likely and, therefore, adding allowance for expenses (@\$1,500/mo.) split 2/3 BB&W; 1/3 WEL
- ii. BB&W = \$365,000 (retainer) + \$12,000 (expenses) = \$377,000
- iii. WEL = \$192,000 (retainer) + \$6,000 (expenses) = \$198,000

c. WPP Membership Payments = **\$105,000**

- i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum.

d. Resource Committee Support = **\$150,000**

- i. Scope: Potential consultant support for evaluating IRP recommendations and coordination with members, potential resource evaluation, and potential consultant support for SB100 report engagement at \$100,000. For 2022, BANC is currently engaged with the POU BAAs to support SB 100 activities, including legal and administrative support and a contract with The Brattle

Group on grid modeling and reliability assessment. That budget is likely to be exhausted during calendar year 2022. We expect the SB 100 activities to ramp up in 2023, and that the POU BAAs to continue engagement through working groups with the joint energy agencies and the CAISO. While a rough estimate, historical expenditures would support a \$120,000 administrative and legal support budget, and the BANC NEL share of that is approximately \$50,000.

e. Asset Valuation = **\$1,025,908**

i. Energy Management System

1. Assumptions:

- a. Amortized capital cost, excluding EIM module (BANC share) = \$517,238
- b. Annual Siemens support cost (BANC share) = \$113,470
- c. Revised to reflect latest capitalization amount for Siemens EMS upgrade (\$5,508,835) and annual support services (\$263,883) both excluding EIM module. Assumes capital investment is amortized over 5 years @ 3%/year. BANC share of EMS capital and support services costs is 43%.

2. Total = \$630,708

ii. Energy Management Center/Backup Control Center

1. Assumptions:

- a. Total estimated amount for EMC+BCC= \$~1,300,000/year
- b. TOP/BA share is 76% = \$988,000

2. BANC share of TOP/BA= 40% = \$395,200

f. Administrative Expenses = **\$10,500**

- i. Annual Audit Fees = \$8,500
- ii. Bank Charges = \$2,000

g. Sub-total = **\$2,244,408**

h. Contingency: **\$100,000**

Total = **\$2,344,408**

Member Breakdown Comparison of 2023 vs. 2022 Base Budgets (based upon 2021 Retail Sales):

MEMBER ALLOCATION	2023	2022
SMUD (69.2%)	\$ 1,605,030.34	\$ 1,518,461.14
MID (16.9%)	\$ 391,979.95	\$ 370,838.05
ROSEVILLE (7.7%)	\$ 178,594.42	\$ 168,961.72
REDDING (4.9%)	\$ 113,650.99	\$ 107,521.09
SHASTA LAKE (1.3%)	\$ 30,152.30	\$ 28,526.00
Subtotal	\$ 2,319,408.00	\$ 2,194,308.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
TOTAL	\$ 2,344,408.00	\$ 2,219,308.00

2. Participation Agreement #1 (PA-1) – PC Services

a. Assumptions:

- i. SMUD to provide contract PC services to BANC
- ii. Total Base Cost to BANC = \$309,879
 - 1. Main PC evaluation labor = \$271,824
 - 2. \$38,055 for labor to perform an overview assessment of full BANC footprint
 - 3. Includes a 3.5% labor rate adjustment for 2023
- iii. WAPA-SNR does not participate, TPUD and Shasta Lake embedded within WAPA-SNR; all other members participate
- iv. Cost to be allocated based upon 50% to SMUD and 50% to remaining members prorated by share of generation/60kV and above buses among the remaining members:
 - 1. SMUD = (50%)
 - 2. MID = (30%)
 - 3. Redding = (9.5%)
 - 4. Roseville = (10.5%)

b. Estimated costs by member:

MEMBER	PA-1 ASSESMENT
SMUD (50%)	\$ 154,939.50
MID (30%)	\$ 92,963.70
REDDING (9.5%)	\$ 29,438.51
ROSEVILLE (10.5%)	\$ 32,537.30
TOTAL	\$ 309,879.00

3. Participation Agreement #2 (PA-2) – RC Funding

a. Assumptions

- i. BANC transitioned from Peak RC to RC West (CAISO) for RC services on 7/1/19 and going forward.
- ii. RC West Funding
 - 1. TPUD and Shasta Lake embedded within WAPA-SNR, which becomes a TOP Funding Party under CAISO RC West tariff
 - 2. MID, Redding, and SMUD become TOP Funding Parties under CAISO tariff
 - 3. BANC pays the remaining amount allocated to the BA footprint per CAISO tariff for Roseville
 - 4. Assumed RC West ~~2022~~2023 charge-out rates = \$0.03/MWH
 - 5. 2021 NEL for remaining BANC footprint:
 - a. Roseville = 1,190,727 MWH

b. Estimated costs under PA-2 based upon RC West proposed rates for Roseville:

MEMBER	2021 NEL - MWH	20222023 ASSESSMENT
ROSEVILLE	1,190,727	\$ 35,721.81
TOTAL	1,190,727	\$ 35,721.81

4. Participation Agreement #3 (PA-3) – EIM Implementation (Phase 1) - CLOSED
5. Participation Agreement #4 (PA-4) – Extended Day-Ahead Market (EDAM) and Other Market Opportunities Evaluation
 - a. Assumptions
 - i. BANC EIM Participants elect to move forward with participation in CAISO EDAM. It is expected that 2023 will be a transition year with the focus on finalizing market design, development of CAISO tariff, scoping out BANC/participant tariff and business practices impacts, and finalizing BANC/participant decision-making on joining EDAM. EDAM implementation will be transitioned to a separate PA in 2024. We believe that continued engagement is expected for SPP Markets+ and WPP WRAP. This likely will include FERC filings, at least with respect to EDAM, and also possible FERC meetings and technical conferences. Also, RTO discussions will likely ramp up as reflected in recent Studies performed by various advocacy groups. We assume in this budget estimate the current legal resource commitment rate through the end of 2023. Total monthly legal services budget would be \$25,950, allocated \$9950/month BB&W, \$16,000/month WEL.
 - ii. It is assumed that all Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in this effort. (NOTE: Shasta Lake loads assumed part of Redding load for this allocation). Cost allocation based upon 2023 3-year rolling average NEL as follows:
 1. SMUD – 64.4%
 2. MID – 15.3%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.8%
 5. Redding – 5.7%
 - b. Estimated costs for monitoring day-ahead market development reflect that, while the character of the engagement will change, focus and extensive effort will continue through the year, including EDAM support. Allowance has also been made for Utilicast support during [the first 6-months of this effort at ~40 hours/month. It is assumed that EDAM benefit analysis will carry over into 2023.](#)

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING
Legal Support						
~ BBW BB&W Retainer	\$ 119,400.00					
~ WEL Retainer	\$ 192,000.00					
Legal Support Total	\$ 311,400.00	\$ 200,541.60	\$ 47,644.20	\$ 24,289.20	\$ 21,175.20	\$ 17,749.80
Consultant Support						
~ Utilicast Support	\$ 120 60,000.00	\$ 77,400 38,640.00	\$ 17,880 9,180.00	\$ 9,720 4,680.00	\$ 8,280 4,080.00	\$ 6,720 3,420.00
~ EDAM Benefits Anal.	\$ 60,000.00	\$ 38,640.00	\$ 9,180.00	\$ 4,680.00	\$ 4,080.00	\$ 3,420.00
~ Market Dev, Spt. (CES)	\$ 24,000.00	15,480 456.00	3,576 672.00	1,944 872.00	\$ 1,656 632.00	\$ 1,344 368.00
~ Consultant Support Total	\$ 144,000.00	\$ 92,880 736.00	\$ 22,032.00	\$ 11,664 232.00	\$ 9,936 792.00	\$ 8,064 208.00
Total Estimate	\$ 455,400.00	\$ 293,733.00 277.60	\$ 67,854.60 69,676.20	\$ 36,887.40 35,521.20	\$ 31,422.60 30,967.20	\$ 25,502.40 957.80
Contingency (~5%)	\$ 22,770.00	\$ 14,641.11 663.88	\$ 3,324.42 483.81	\$ 1,958.22 776.06	\$ 1,571.13 548.36	\$ 1,275.12 297.89
TOTAL for 2023	\$ 478,170.00	\$ 308,374.11 307,941.48	\$ 71,179.02 73,160.01	\$ 38,845.62 37,297.26	\$ 32,993.73 515.56	\$ 26,777.52 27,255.69

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6. Participation Agreement #5 (PA-5) – EIM Participation
 - c. Assumptions
 - i. BANC serves as EIM Entity
 - ii. SMUD/MID/Roseville/Redding/WAPA-SNR participate as PRSCs for full year
 - iii. Costs allocated in accordance with 2023 3-year rolling average NEL for all five participants as follows:
 1. SMUD – 64.4%
 2. MID – 15.3%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.8%
 5. Redding – 5.7%
 - d. Cost estimates based on EIM Services Agreement, and latest estimates, including software charges per contracts. Includes 5% adjustment for SMUD EIM Operator labor, 3.5% adjustment for other labor, and 3% adjustment for software contracts. SMUD labor for EIM Desk, SME/Oversight, and Settlements will be charged out based upon actual hours expended. Charges for all other SMUD labor will be allocated based upon the estimate provided.
 - e. Allocation of TPUD load settlement charges assigned to SMUD/MID/Redding/Roseville per original agreement. Load based settlement charges assumed at \$30,000 for EIM operation in 2023.

IMPLEMENTATION CATEGORY	ESTIMATE	Participant			Cost Allocations		TOTAL
		SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	
Personnel - EIM Desk (5)	\$ 1,834,306.00						
Personnel - Settlements (1.5)	\$ 651,425.00						
Personnel - Outage Mgmt (0.4)	\$ 140,096.00						
Personnel - Netwk Model (1)	\$ 295,528.00						
Personnel - Meter Data Mgmt (0.5)	\$ 43,746.00						
Personnel - SME/Oversight (0.4)	\$ 188,873.00						
Personnel - IT Support (0.25)	\$ 61,626.00						
Personnel Total (9.05)	\$ 3,215,600.00						
EIM Software Support							
- OATI	\$ 95,480.00						
- Power Settlements	\$ 469,873.00		\$ 53,045.00			\$ 53,045.00	\$ 575,963.00
- ITOA	\$ 20,600.00						
- Allowance for SW Upgrades	\$ 50,000.00						
- WebEIM	\$ 41,200.00						
EIM Software Support Total	\$ 677,153.00						
EMS EIM Module							
- Amortized Capital	\$ 52,978.00						
- O&M Support	\$ 10,000.00						
EMS EIM Module Total	\$ 62,978.00						
EIM OPERATOR TOTAL	\$ 3,955,731.00	\$ 2,547,490.76	\$ 658,271.84	\$ 308,547.02	\$ 272,945.44 268,989.71	\$ 277,334.95 278,521.67	\$ 4,064,590.01 4,061,821.00
Miscellaneous Support							
- Legal Support	\$ 30,000.00						
- EIM Stakeholder Support (CES)	\$ 24,000.00						
- Utilicast Support	\$ -						
Miscellaneous Support Total	\$ 54,000.00						
CAISO Charges							
- Fees	\$ 250,000.00						
- Uplifts	\$ 500,000.00						
CAISO Charges Total	\$ 750,000.00						
TOTAL EIM Operations for 20222023	\$ 4,759,731.00	\$ 3,065,266.76	\$ 781,283.84	\$ 371,259.02	\$ 328,421.44 323,661.71	\$ 324,349.67	\$ 4,870,580.73 4,895,821.00
TPUD Load Charges	\$ 30,000.00	\$ 20,880.000	\$ 5,040.000	\$ -	\$ 2,220.000	\$ 1,860.000	
TOTAL EIM FOR 20222023	\$ 4,789,731.00	\$ 3,086,146.76	\$ 786,323.84	\$ 371,259.02	\$ 330,641.44 325,881.71	\$ 326,209.67	\$ 4,900,580.73 4,921,821.00

7. Participation Agreement #6 (PA-6) – EIM Phase 2 Preparation (Revision 1 – 5/15/19) – CLOSED
8. Participation Agreement # 7 (PA-7) – EIM Phase 2 Implementation – CLOSED
9. Participation Agreement # 8 (PA-8) – EDAM Implementation – Hold for future implementation decision
10. 20222023 BANC Member Assessments

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: EDAM	PA-5: EIM Part.	PA-8: EDAM Imp.	<u>Amended</u> 2023 TOTAL	<u>Amended</u> 2022 TOTAL
SMUD	\$ 1,605,030.34	\$ 154,939.50	\$ -	\$ 119,764.50 \$ 307,941.48	\$ 3,086,146.76	\$ -	\$ 4,965,881.10 \$ 5,154,058.08	\$ 5,125,533.20
MID	\$ 391,979.95	\$ 92,963.70	\$ -	\$ 27,651.30 \$ 73,160.01	\$ 786,323.84	\$ -	\$ 1,298,918.79 \$ 344,427.51	\$ 1,296,140.33
ROSEVILLE	\$ 178,594.42	\$ 29,438.51 \$ 32,537.30	\$ 35,721.81	\$ 12,813.30 \$ 32,515.56	\$ 330,641.44 325,881.71	\$ -	\$ 587,209.48 \$ 605,250.79	\$ 599,573.65
REDDING	\$ 113,650.99	\$ 32,537.30 \$ 29,438.51	\$ -	\$ 10,399.20 \$ 27,255.69	\$ 326,209.67	\$ -	\$ 482,797.16 \$ 496,554.85	\$ 490,504.83
SHASTA LAKE	\$ 30,152.30	\$ -	\$ -	\$ -	\$ --	\$ -	\$ 30,152.30	\$ 28,526.00
TPUD	\$ 25,000.00	\$ -	\$ -	\$ -	\$ --	\$ -	\$ 25,000.00	\$ 25,000.00
BANC TOTAL	\$ 2,344,408.00	\$ 309,879.04 <u>0100</u>	\$ 35,721.81	\$ 170,628.30 \$ 440,872.74	\$ 4,529,321.71 \$ 524,561.98	\$ -	\$ 7,389,958.83 \$ 655,443.53	\$ 7,565,278.01
WASN	\$ -	\$ -	\$ -	\$ 15,071.70 \$ 37,297.26	\$ 371,259.02	\$ -	\$ 386,330.72 \$ 408,556.28	\$ 455,305.92
GRAND TOTAL	\$ 2,344,408.00	\$ 309,879.04 <u>0100</u>	\$ 35,721.81	\$ 185,700 \$ 478,170.00	\$ 4,900,580.73 \$ 895,821.00	\$ -	\$ 7,776,289.55 \$ 8,063,999.81	\$ 8,020,583.93

**Balancing Authority of Northern California
Resolution 23-01-02**

APPROVAL OF REVISED 2023 ANNUAL BUDGET FOR BANC

WHEREAS, the Balancing Authority of Northern California (“BANC”) Joint Powers Agreement (“JPA”) Section 11.4 describes both the responsibilities and the non-delegable duties of the BANC Commission which include approving an annual budget and approving assessments to each Member; and

WHEREAS, JPA Section 12 provides that the BANC Commission may assess each Member for its respective Participation Percentage share of funds required to carry out BANC’s purposes as specified in the annual budget; and

WHEREAS, BANC Resolution 12-02-03 established a process whereby Member assessments shall be required no less than two times per year; and

WHEREAS, the General Manager worked to develop a revised budget as a result of errors identified in PA-4: EDAM and Other Market Opportunities Evaluation and 2023 BANC Member Assessments following November approval of Resolution 22-11-04; and

WHEREAS, the 2023 budget is being amended to correct the participant funding allocation amounts in PA-4 and the 2023 BANC Member Assessments, specifically for PA-4, resulting in a revised total BANC 2023 Budget of \$8,068,759.55; and

WHEREAS, the General Manager has prepared a revised budget incorporating these revisions for consideration and possible adoption by the Commission.

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

1. Approve the Amended 2023 Annual Budget for BANC in the form attached hereto as Attachment A.
2. Direct the BANC Treasurer to assess each BANC Member in accordance with Resolution 12-02-03 and WAPA in accordance with the existing agreement (20-SNR-02422) between BANC and WAPA.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 25th day of January, 2023, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

James McFall
Chair

Attest by: C. Anthony Braun
Secretary

BANC 2023 Budget Amended – 1/25/23

1. Base Budget

- a. General Manager Expenses = **\$378,000**
 - i. Scope: General Manager retainer (@\$30,000/mo.) and expenses (@\$1,500/mo.)
 - ii. Assumptions: Increase in retainer from 2020-2022 and increase travel expenses with expectation of more in-person regional meetings

- b. Legal Services = **\$575,000**
 - i. Assumptions: Increase in base legal services from 2022 of 8% for BB&W, keep WEL at \$16,000/month, with the notation that additional legal services may be required based on the level of activity in overall engagement. The proposed increase reflects several factors. Salary and other business cost pressures have increased substantially. Also, based on discussions with the General Manager, we anticipate tackling policy and delegation matters for the agency this year. Finally, given the pace of overall activity, such as ongoing state legislation, summer reliability initiatives, and similar matters, it seems reasonable to anticipate considerable non-project specific work. We believe additional travel is likely and, therefore, adding allowance for expenses (@\$1,500/mo.) split 2/3 BB&W; 1/3 WEL
 - ii. BB&W = \$365,000 (retainer) + \$12,000 (expenses) = \$377,000
 - iii. WEL = \$192,000 (retainer) + \$6,000 (expenses) = \$198,000

- c. WPP Membership Payments = **\$105,000**
 - i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum.

- d. Resource Committee Support = **\$150,000**
 - i. Scope: Potential consultant support for evaluating IRP recommendations and coordination with members, potential resource evaluation, and potential consultant support for SB100 report engagement at \$100,000. For 2022, BANC is currently engaged with the POU BAAs to support SB 100 activities, including legal and administrative support and a contract with The Brattle Group on grid modeling and reliability assessment. That budget is likely to be exhausted during calendar year 2022. We expect the SB 100 activities to ramp up in 2023, and that the POU BAAs to

Attachment A to Resolution 23-01-02

continue engagement through working groups with the joint energy agencies and the CAISO. While a rough estimate, historical expenditures would support a \$120,000 administrative and legal support budget, and the BANC NEL share of that is approximately \$50,000.

- e. Asset Valuation = **\$1,025,908**
 - i. Energy Management System
 - 1. Assumptions:
 - a. Amortized capital cost, excluding EIM module (BANC share) = \$517,238
 - b. Annual Siemens support cost (BANC share) = \$113,470
 - c. Revised to reflect latest capitalization amount for Siemens EMS upgrade (\$5,508,835) and annual support services (\$263,883) both excluding EIM module. Assumes capital investment is amortized over 5 years @ 3%/year. BANC share of EMS capital and support services costs is 43%.
 - 2. Total = \$630,708
 - ii. Energy Management Center/Backup Control Center
 - 1. Assumptions:
 - a. Total estimated amount for EMC+BCC= \$~1,300,000/year
 - b. TOP/BA share is 76% = \$988,000
 - 2. BANC share of TOP/BA= 40% = \$395,200
- f. Administrative Expenses = **\$10,500**
 - i. Annual Audit Fees = \$8,500
 - ii. Bank Charges = \$2,000
- g. Sub-total = **\$2,244,408**
- h. Contingency: **\$100,000**

Total = **\$2,344,408**

Attachment A to Resolution 23-01-02

Member Breakdown Comparison of 2023 vs. 2022 Base Budgets (based upon 2021 Retail Sales):

MEMBER ALLOCATION	2023	2022
SMUD (69.2%)	\$ 1,605,030.34	\$ 1,518,461.14
MID (16.9%)	\$ 391,979.95	\$ 370,838.05
ROSEVILLE (7.7%)	\$ 178,594.42	\$ 168,961.72
REDDING (4.9%)	\$ 113,650.99	\$ 107,521.09
SHASTA LAKE (1.3%)	\$ 30,152.30	\$ 28,526.00
Subtotal	\$ 2,319,408.00	\$ 2,194,308.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
TOTAL	\$ 2,344,408.00	\$ 2,219,308.00

Attachment A to Resolution 23-01-02

2. Participation Agreement #1 (PA-1) – PC Services

a. Assumptions:

- i. SMUD to provide contract PC services to BANC
- ii. Total Base Cost to BANC = \$309,879
 - 1. Main PC evaluation labor = \$271,824
 - 2. \$38,055 for labor to perform an overview assessment of full BANC footprint
 - 3. Includes a 3.5% labor rate adjustment for 2023
- iii. WAPA-SNR does not participate, TPUD and Shasta Lake embedded within WAPA-SNR; all other members participate
- iv. Cost to be allocated based upon 50% to SMUD and 50% to remaining members prorated by share of generation/60kV and above buses among the remaining members:
 - 1. SMUD = (50%)
 - 2. MID = (30%)
 - 3. Redding = (9.5%)
 - 4. Roseville = (10.5%)

b. Estimated costs by member:

MEMBER	PA-1 ASSESMENT
SMUD (50%)	\$ 154,939.50
MID (30%)	\$ 92,963.70
REDDING (9.5%)	\$ 29,438.51
ROSEVILLE (10.5%)	\$ 32,537.30
TOTAL	\$ 309,879.00

Attachment A to Resolution 23-01-02

3. Participation Agreement #2 (PA-2) – RC Funding

a. Assumptions

- i. BANC transitioned from Peak RC to RC West (CAISO) for RC services on 7/1/19 and going forward.
- ii. RC West Funding
 - 1. TPUD and Shasta Lake embedded within WAPA-SNR, which becomes a TOP Funding Party under CAISO RC West tariff
 - 2. MID, Redding, and SMUD become TOP Funding Parties under CAISO tariff
 - 3. BANC pays the remaining amount allocated to the BA footprint per CAISO tariff for Roseville
 - 4. Assumed RC West 2023 charge-out rates = \$0.03/MWH
 - 5. 2021 NEL for remaining BANC footprint:
 - a. Roseville = 1,190,727 MWH

b. Estimated costs under PA-2 based upon RC West proposed rates for Roseville:

MEMBER	2021 NEL - MWH	2023 ASSESSMENT
ROSEVILLE	1,190,727	\$ 35,721.81
TOTAL	1,190,727	\$ 35,721.81

Attachment A to Resolution 23-01-02

4. Participation Agreement #3 (PA-3) – EIM Implementation (Phase 1) - CLOSED
5. Participation Agreement #4 (PA-4) – Extended Day-Ahead Market (EDAM) and Other Market Opportunities Evaluation
 - a. Assumptions
 - i. BANC EIM Participants elect to move forward with participation in CAISO EDAM. It is expected that 2023 will be a transition year with the focus on finalizing market design, development of CAISO tariff, scoping out BANC/participant tariff and business practices impacts, and finalizing BANC/participant decision-making on joining EDAM. EDAM implementation will be transitioned to a separate PA in 2024. We believe that continued engagement is expected for SPP Markets+ and WPP WRAP. This likely will include FERC filings, at least with respect to EDAM, and also possible FERC meetings and technical conferences. Also, RTO discussions will likely ramp up as reflected in recent Studies performed by various advocacy groups. We assume in this budget estimate the current legal resource commitment rate through the end of 2023. Total monthly legal services budget would be \$25,950, allocated \$9950/month BB&W, \$16,000/month WEL.
 - ii. It is assumed that all Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in this effort. (NOTE: Shasta Lake loads assumed part of Redding load for this allocation). Cost allocation based upon 2023 3-year rolling average NEL as follows:
 1. SMUD – 64.4%
 2. MID – 15.3%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.8%
 5. Redding – 5.7%
 - b. Estimated costs for monitoring day-ahead market development reflect that, while the character of the engagement will change, focus and extensive effort will continue through the year, including EDAM support. Allowance has also been made for Utilicast support during the first 6-months of this effort at ~40 hours/month. It is assumed that EDAM benefit analysis will carry over into 2023.

Attachment A to Resolution 23-01-02

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING
Legal Support						
~ BB&W Retainer	\$ 119,400.00					
~ WEL Retainer	\$ 192,000.00					
Legal Support Total	\$ 311,400.00	\$ 200,541.60	\$ 47,644.20	\$ 24,289.20	\$ 21,175.20	\$ 17,749.80
Consultant Support						
~ Utilicast Support	\$ 60,000.00	\$ 38,640.00	\$ 9,180.00	\$ 4,680.00	\$ 4,080.00	\$ 3,420.00
~ EDAM Benefits Anal.	\$ 60,000.00	\$ 38,640.00	\$ 9,180.00	\$ 4,680.00	\$ 4,080.00	\$ 3,420.00
~ Market Dev, Spt. (CES)	\$ 24,000.00	\$ 15,456.00	\$ 3,672.00	\$ 1,872.00	\$ 1,632.00	\$ 1,368.00
~ Consultant Support Total	\$ 144,000.00	\$ 92,736.00	\$ 22,032.00	\$ 11,232.00	\$ 9,792.00	\$ 8,208.00
Total Estimate	\$ 455,400.00	\$ 293,277.60	\$ 69,676.20	\$ 35,521.20	\$ 30,967.20	\$ 25,957.80
Contingency (~5%)	\$ 22,770.00	\$ 14,663.88	\$ 3,483.81	\$ 1,776.06	\$ 1,548.36	\$ 1,297.89
TOTAL for 2023	\$ 478,170.00	\$ 307,941.48	\$ 73,160.01	\$ 37,297.26	\$ 32,515.56	\$ 27,255.69

+

Attachment A to Resolution 23-01-02

6. Participation Agreement #5 (PA-5) – EIM Participation
 - c. Assumptions
 - i. BANC serves as EIM Entity
 - ii. SMUD/MID/Roseville/Redding/WAPA-SNR participate as PRSCs for full year
 - iii. Costs allocated in accordance with 2023 3-year rolling average NEL for all five participants as follows:
 1. SMUD – 64.4%
 2. MID – 15.3%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.8%
 5. Redding – 5.7%
 - d. Cost estimates based on EIM Services Agreement, and latest estimates, including software charges per contracts. Includes 5% adjustment for SMUD EIM Operator labor, 3.5% adjustment for other labor, and 3% adjustment for software contracts. SMUD labor for EIM Desk, SME/Oversight, and Settlements will be charged out based upon actual hours expended. Charges for all other SMUD labor will be allocated based upon the estimate provided.
 - e. Allocation of TPUD load settlement charges assigned to SMUD/MID/Redding/Roseville per original agreement. Load based settlement charges assumed at \$30,000 for EIM operation in 2023.

Attachment A to Resolution 23-01-02

IMPLEMENTATION CATEGORY	ESTIMATE	Participant			Cost		Allocations		TOTAL
		SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING			
Personnel - EIM Desk (5)	\$ 1,834,306.00								
Personnel - Settlements (1.5)	\$ 651,425.00								
Personnel - Outage Mgmt (0.4)	\$ 140,096.00								
Personnel - Netwk Model (1)	\$ 295,528.00								
Personnel - Meter Data Mgmt (0.5)	\$ 43,746.00								
Personnel - SME/Oversight (0.4)	\$ 188,873.00								
Personnel - IT Support (0.25)	\$ 61,626.00								
Personnel Total (9.05)	\$ 3,215,600.00								
EIM Software Support									
- OATI	\$ 95,480.00								
- Power Settlements	\$ 469,873.00		\$ 53,045.00			\$ 53,045.00		\$ 575,963.00	
- ITOA	\$ 20,600.00								
- Allowance for SW Upgrades	\$ 50,000.00								
- WebEIM	\$ 41,200.00								
EIM Software Support Total	\$ 677,153.00								
EMS EIM Module									
- Amortized Capital	\$ 52,978.00								
- O&M Support	\$ 10,000.00								
EMS EIM Module Total	\$ 62,978.00								
EIM OPERATOR TOTAL	\$ 3,955,731.00	\$ 2,547,490.76	\$658,271.84	\$308,547.02	\$ 268,989.71	\$ 278,521.67	\$ 4,061,821.00		
Miscellaneous Support									
- Legal Support	\$ 30,000.00								
- EIM Stakeholder Support (CES)	\$ 24,000.00								
- Utilicast Support	\$ -								
Miscellaneous Support Total	\$ 54,000.00								
CAISO Charges									
- Fees	\$ 250,000.00								
- Uplifts	\$ 500,000.00								
CAISO Charges Total	\$ 750,000.00								
TOTAL EIM Operations for 2023	\$ 4,759,731.00	\$ 3,065,266.76	\$781,283.84	\$371,259.02	\$ 323,661.71	\$ 324,349.67	\$ 4,865,821.00		
TPUD Load Charges	\$ 30,000.00	\$ 20,880.000	\$ 5,040.000	\$ -	\$ 2,220.000	\$ 1,860.000			
TOTAL EIM FOR 2023	\$ 4,789,731.00	\$ 3,086,146.76	\$786,323.84	\$371,259.02	\$ 325,881.71	\$ 326,209.67	\$ 4,895,821.00		

Attachment A to Resolution 23-01-02

7. Participation Agreement #6 (PA-6) – EIM Phase 2 Preparation (Revision 1 – 5/15/19) – CLOSED
8. Participation Agreement # 7 (PA-7) – EIM Phase 2 Implementation – CLOSED
9. Participation Agreement # 8 (PA-8) – EDAM Implementation – Hold for future implementation decision
10. 2023 BANC Member Assessments

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: EDAM	PA-5: EIM Part.	PA-8: EDAM Imp.	Amended 2023 TOTAL	Amended 2022 TOTAL
SMUD	\$ 1,605,030.34	\$ 154,939.50	\$ -	\$ 307,941.48	\$ 3,086,146.76	\$ -	\$ 5,154,058.08	\$ 5,125,533.20
MID	\$ 391,979.95	\$ 92,963.70	\$ -	\$ 73,160.01	\$ 786,323.84	\$ -	\$ 1,344,427.51	\$ 1,296,140.33
ROSEVILLE	\$ 178,594.42	\$ 32,537.30	\$ 35,721.81	\$ 32,515.56	\$ 325,881.71	\$ -	\$ 605,250.79	\$ 599,573.65
REDDING	\$ 113,650.99	\$ 29,438.51	\$ -	\$ 27,255.69	\$ 326,209.67	\$ -	\$ 496,554.85	\$ 490,504.83
SHASTA LAKE	\$ 30,152.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,152.30	\$ 28,526.00
TPUD	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
BANC TOTAL	\$ 2,344,408.00	\$ 309,879.00	\$ 35,721.81	\$ 440,872.74	\$ 4,524,561.98	\$ -	\$ 7,655,443.53	\$ 7,565,278.01
WASN	\$ -	\$ -	\$ -	\$ 37,297.26	\$ 371,259.02	\$ -	\$ 408,556.28	\$ 455,305.92
GRAND TOTAL	\$ 2,344,408.00	\$ 309,879.00	\$ 35,721.81	\$ 478,170.00	\$ 4,895,821.00	\$ -	\$ 8,063,999.81	\$ 8,020,583.93

Balancing Authority of Northern California

Agenda Item 5C

1. ***Resolution 23-01-03 Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Evaluation Support .***

Braun Blaising & Wynne, P.C.

Attorneys at Law

01/20/23

To: BANC Commission

From: BANC Counsel

RE: Authorization of Amendment to Utilicast Contract for Extension of Services Related to EDAM Support

Consistent with BANC's strategic planning discussions with the Commission, staff have been working to bring forward a Day Ahead Market option for BANC member consideration. As staff have also discussed with the Commission, we view the CAISO's Extended Day Ahead Market (EDAM) as the most likely market option that would meet the BANC participants' needs. As a result, staff recommended, and the Commission approved in 2022, a contract amendment with Utilicast to perform a "gap analysis" of BANC and BANC members' ability to transition from EIM to EDAM. The "gap analysis" is complete and is being presented to the EIM Committee at its January and February 2023 meetings. The next step is to finalize the benefits study that is underway and the estimate for ongoing CAISO fees for EDAM in order to formulate a net benefit estimate. As we evaluate EDAM participation over the next several months, staff believes it would be beneficial to continue to have Utilicast support on an as needed basis.

We have contacted Utilicast to determine their ability and willingness to provide this additional EDAM support. Utilicast has provided a proposal for this work, which is included as "Attachment A" to this memorandum. Staff has reviewed this proposal with the EIM Committee. The EIM Committee has concurred that having this assistance available to BANC while we continue to discuss the potential for participation in EDAM would be valuable.

The cost estimate for this proposal is \$122,400, which assumes a full year of support by Utilicast on an as needed basis. This effort is currently budgeted as part of PA-4: EDAM and Other Market Evaluation under Consultant Support, Utilicast, in the amount of \$60,000 in the proposed Amended BANC 2023 Budget. It is estimated that this funding will cover Utilicast support through June. Staff intends to come back to the EIM Committee and the Commission in mid-2023 with an update on needed support for EDAM as a result of the decision-making process over the next several months.

Therefore, staff is requesting that the Commission authorize the General Manager to execute an amendment to the existing Utilicast contract that will allow this work to proceed in accordance with the attached resolution.



November 15, 2022

Jim Shetler
General Manager
Balancing Authority of Northern California
P.O. Box 15830 / MS D109
Sacramento, CA 95852-1830

Dear Jim:

I understand that per your discussions with Jeff Fruit, the BANC desires ongoing, as-needed support for its participation in the CAISO Extended Day Ahead Market (EDAM). As a follow-up to that discussion, this letter details Utilicast's intent to provide Jeff Fruit in support of that request. This Agreement is intended to describe the potential scope of work we may provide to the BANC, and the fees associated with extending our engagement. If the scope, duration, and cost components of this letter are agreeable, Utilicast proposes to amend the existing Consulting Services Agreement (CSA) to extend the end date, and provide these services.

Scope of Work: Utilicast's proposed support includes the following consulting services to be provided to the BANC:

BANC EDAM Market Design Support and Analysis

- This task will be completed in the period between January 1, 2023 and December 31, 2023.
- This task is budgeted not to exceed 480 hours (Approximately 40 hours per month in 2023).
- On an as-needed basis, the BANC General Manager may request Utilicast support for:
 - General or specific support and analysis for the on-going EDAM market design, and its impacts on BANC. This may include attendance at CAISO EDAM related stakeholder meetings and workshops.
 - Subject matter expertise, and expert analysis of BANC Entity's, and BANC EIM Participants' EDAM Market participation options and strategies.
 - Support for resolution of EDAM market design issues as assigned by the BANC General Manager.
- During this ongoing support phase, Utilicast resources will generally not, unless specifically requested:
 - Self-initiate any support activities without approval from the BANC General Manager.

Schedule of Services: BANC and Utilicast have allocated 480 hours to this support agreement. Those hours will be used only when requested by the BANC General Manager.

Total Statement of Work Cost Estimate: The cost estimate for the scope of work described above is presented in the table below. The estimated cost is for budgetary purposes. The BANC will only pay for time expended.

Task	Start	End	Total Hours	Rate	Total \$
BANC EDAM Mkt Design As Needed Support and Analysis	1/1/2023	12/31/2023	480	\$255/hr.	\$ 122,400

Travel Expenses: Travel expenses are anticipated to be minimal for this Statement of Work. Travel expenses will be reimbursed as:

- Travel Expenses – When traveling within the BANC region, reimbursement at cost for lodging and mileage at the current federal mileage rate at the time of travel. If travel to/from outside the BANC region is required, reimbursement at cost of actual coach class air travel, lodging, ground transportation (rental car, cab, Uber, mileage) and parking.
- Meals & Incidentals – When traveling at BANC’s request, Consultant resources will be reimbursed the current US General Services Administration (GSA) Per Diem rate for Meals and Incidentals for the city in which work is performed. This is anticipated to be primarily Redding, CA and Modesto, CA, but could include other locations.
- Receipts – Receipts will be provided for expenses over \$25 except for mileage and the Meals & Incidentals Per Diem, which will be at the current rates described above in lieu of receipts.

We really appreciate the BANC and your consideration of Utilicast for this work extension. We highly value our relationship with the BANC, and appreciate your validation of that relationship through this request.

If you have any questions regarding our proposal, please contact Jeff Fruit directly at (916) 458-1032.

Sincerely,



Rito Guia
Chief Business Development Officer
Utilicast LLC

**Balancing Authority of Northern California
Resolution 23-01-03**

**AUTHORIZATION OF AMENDMENT TO EXTEND UTILICAST CONTRACT FOR SERVICES
RELATED TO EDAM EVALUATION 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 previously entered into a contract with Utilicast to, among other things, assist certain BANC members and the Western Area Power Administration – Sierra Nevada Region (collectively, “EIM Participants”) with implementation of the California Independent System Operator (“CAISO”) Energy Imbalance Market (“EIM”), with BANC as the EIM Entity; and

WHEREAS, in discussions with BANC EIM Participants through the EIM Committee, it is recognized that the CAISO’s Extended Day Ahead Market (“EDAM”) is the most likely option for a Day Ahead Market that would meet the EIM Participants needs; and

WHEREAS, based on the CAISO’s current schedule for EDAM development, the option to participate in EDAM could be available for consideration later this year for implementation in 2024-25 with a Spring 2025 go-live date; and

WHEREAS, the Commission previously approved extensions of the Utilicast contract through December 30, 2022 to ensure ongoing support to BANC and EIM Participants through an EDAM Gap Analysis; and

WHEREAS, it is recognized that, as the EDAM benefits study that is underway and the estimate for ongoing CAISO fees for EDAM are finalized in order to formulate a net benefit estimate, it would be valuable to have continued support from Utilicast on an as needed basis; and

WHEREAS the addition of these services is accommodated in the current 2023 budget; and

WHEREAS the 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 an amended contract with Utilicast to include as-needed support, in an amount not to exceed \$60,000, and to extend the contract through June 30, 2023.

**Balancing Authority of Northern California
Resolution 23-01-03**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 25th day of January 2023, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

James McFall
Chair

Attest by: C. Anthony Braun
Secretary

Balancing Authority of Northern California

Agenda Item 5D

1. **Resolution 23-01-04 *Authorization of Audit Services Contract Extension with Baker Tilly US, LLP.***

**Balancing Authority of Northern California
Resolution 23-01-04**

AUTHORIZATION OF AUDIT SERVICES CONTRACT EXTENSION WITH BAKER TILLY US, LLP

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, Section 19 of the BANC Joint Exercise of Powers Agreement requires that the Controller of BANC ‘shall either make or contract with a certified public accountant or firm of such accountants to make an annual audit of the accounts and records of BANC’;

WHEREAS, BANC has an existing agreement with Baker Tilly US, LLP) for auditing services; and

WHEREAS, on January 3, 2023, Baker Tilly US, LLP provided BANC with an extension to that contract through the year ending December 31, 2024; and

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the BANC Controller to extend the contract with Baker Tilly US, LLP through the year ending December 31, 2024.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 25th day of January 2023, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

James McFall
Chair

Attest by: C. Anthony Braun
Secretary

Balancing Authority of Northern California

Agenda Item 5E

1. ***Resolution 23-01-05 Authorization of Amended Legal Services Agreement with Braun Blasing & Wynne, P.C.***

**Balancing Authority of Northern California
Resolution 23-01-05**

**AUTHORIZATION OF AMENDED LEGAL SERVICES AGREEMENT
WITH BRAUN BLAISING & WYNNE, P.C.**

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 worked with Braun Blaising & Wynne, P.C. (“BB&W”) since BANC’s formation; and

WHEREAS, BB&W currently services as General Counsel and also provides other project services; and

WHEREAS, the approved and Revised 2023 BANC Budget included budget increases for base legal services and pass-through expenses, necessitating a contract change;

WHEREAS, the BANC General Manager’s delegated contracting authority is limited to \$25,000, which is exceeded by the amounts in the BB&W contract.

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the General Manager to enter into an amended Legal Services Agreement with BB&W, with the revised budgeted amounts reflected in the agreement.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 25th day of January 2023, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takahara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

James McFall
Chair

Attest by: C. Anthony Braun
Secretary