

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, June 22, 2022

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 **June 22, 2022 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 number: 1-253-215-8782

Meeting ID: 848 0000 2597

Passcode: 334290

Meeting Link: <https://us06web.zoom.us/j/84800002597?pwd=amxzbdArbm5SdlVmUU9kaW1xR0VlQT09&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 22-06-01 *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 held on May 24, 2022.
 - C. BANC Operator Report (May).
 - D. Compliance Officer Report (June).
 - E. PC Committee Chair Report (June).
 - F. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. Annual Appointment of Commission Chair in accordance with BANC JPA Section 11.4.
 - B. General Manager Updates.
 - i. EIM Update.
 - ii. EDAM Update.
 - iii. SB100 Update.
 - iv. Resource Procurement Update.
 - v. Frequency Response Update
 - C. Review and Update of 2022 Summer Assessment
 - D. Consider and Possibly Approve Resolution 22-06-02 *Authorization of Market Support Services Contract Extension with Customized Energy Solutions.*
 - E. Discussion and Preparation for September Strategic Planning Session.
 - 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 22-06-01 *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 May 24, 2022 BANC Regular Meeting.**
- C. **BANC Operator Report (May).**
- D. **Compliance Officer Report (June).**
- E. **PC Committee Chair Report (June).**
- F. **General Manager Report and Strategic Initiatives Update.**

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

May 24, 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 Mc Fall, Chair
City of Redding	Nick Zettel
City of Roseville	Todd White, Alternate
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Absent

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kevin Smith	General Counsel
Kris Kirkegaard	General Counsel Support
Sonja Anderson	Western Area Power Administration (WAPA)
Bryan Griess	WAPA
Jeanne Haas	WAPA
Arun Sethi	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 2:01 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.

<p>ACTION: M/S (White/Zettel) to approve the Consent Agenda. Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).</p>
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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. EIM Update:

Mr. Shetler overviewed recent updates and noted that the Settlements sub-committee was in the process of evaluating the EIM reserve account balance for summer EIM participation and any recommendations would be brought before the Commission at a future meeting.

ii. EDAM Update.

Mr. Shetler stated that educational sessions on various EDAM topics had recently been completed via the monthly EIM Committee meetings. He also noted that EDAM stakeholder meetings were scheduled over the next two days at CAISO and that comments on the draft EDAM straw proposal were due on June 16th. He touched on the latest EDAM updates, along with updates related to other market options, including SPP Markets + and the Western Markets Exploratory Group (WMEG). Lastly, discussions have been initiated around COTP rights as they relate to markets.

iii. SB 100 Update.

Mr. Shetler provided a brief update, noting that a meeting had been calendared with the POU group and Brattle to begin discussions.

iv. Resource Procurement Update.

Mr. Shetler provided brief updates related to Western Power Pool Western Resource Adequacy Program (WRAP). He stated that a contract had been executed with CES for development of BANC RA principles, expecting that by October, a proposal would be brought before the Commission for consideration after review and input by the Resources Committee. Mr. Braun also noted that in the May budget revision proposed by Governor Newsom, there was language that would insert the CEC as the RA regulator for POUs that are in the CAISO BAA. Finally, Mr. Shetler mentioned ongoing efforts related to the evaluation of potential options for a down-sized project in response to BANC's Resources RFP.

B. Consider and Possibly Approve Resolution 22-05-02 *Acknowledgement and Acceptance of the 2022 Summer Load & Resources Assessment of the Balancing Authority of Northern California.*

Mr. Shetler introduced Mark Willis, who provided an overview on behalf of the BANC Operator and fielded questions from the Commission. Mr. Shetler then reminded the Commission of their individual member obligations and commitments as summer approaches.

ACTION: M/S (Lewis/Zettel) to **approve Resolution 22-05-02 Acknowledgement and Acceptance of the 2022 Summer Load & Resources Assessment of the Balancing Authority of Northern California.** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

C. Consider and Possibly Approve Resolution 22-05-03 *Approval of Revised 2022 Annual Budget for BANC.*

Mr. Shetler introduced the budget amendment and responded to questions. He also noted that the resolution had been amended. Mr. Braun overviewed those revisions.

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ACTION: M/S (White/Zettel) to **approve Resolution 22-05-03 Approval of Revised 2022 Annual Budget for BANC as amended.** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

- D. Consider and Possibly Approve Resolution 22-05-04 *Authorization of Amended Legal Services Agreement with Braun Blaising Smith Wynne, P.C. and Approval of Legal Services Agreement with Western Energy Advocates, P.C.*

Mr. Shetler introduced this item and Mr. Smith fielded questions from the Commission.

ACTION: M/S (Lewis/White) to **approve 22-05-04 Authorization of Amended Legal Services Agreement with Braun Blaising Smith Wynne, P.C. and Approval of Legal Services Agreement with Western Energy Advocates, P.C.** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

- E. Consider and Possibly Approve Resolution 22-05-05 *Accepting and Adopting the BANC Member Participation Percentages for 2022.*

Mr. Shetler introduced this item, noting that there were no changes to the percentages. There were no questions from the Commission.

ACTION: M/S (Zettel/Lewis) to **approve Resolution 22-05-05 Accepting and Adopting the BANC Member Participation Percentages for 2022.** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

- F. Consider and Possibly Approve Resolution 22-05-06 *Authorization for the General Manager to Enter into Contracts with Pacificorp and The Brattle Group to Participate in an EDAM Benefits Study.*

Mr. Shetler provided background on this item and noted that the amendment had been amended to correct the authorized amount requested. He responded to questions from the Commission.

ACTION: M/S (White/Zettel) to **approve Resolution 22-05-06 Authorization for the General Manager to Enter into Contracts with Pacificorp and The Brattle Group to Participate in an EDAM Benefits Study as amended.** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

G. Member Updates.

Mr. Shetler stated that he was in the process of forecasting for the 2023 budget and noted that he would be out for medical reasons for about a week at the end of June. He also anticipates scheduling the strategic planning meeting in September, anticipating that markets will be a significant discussion topic. He also stated it would be possible that early study results may be available from the sensitivity studies. Mr. Braun also noted that there was quite a bit of energy legislation under consideration this year.

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Chair McFall updated the Commission on MID's conversion of one of their older turbines, with a target of May 2023 to complete this project. Commissioner Zettel stated that REU has completed the last of their peaker turbine repairs. Alternate Commissioner White noted that commissioning of the state units at Roseville Energy Park had started, with the expectation that those units would be available by approximately mid-June. No other updates were provided by Commissioners.

The Commission adjourned at 3:03 p.m.

Minutes approved on June 22, 2022.

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 May 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
 - 12 of 31 days with instances of USF mitigation procedure utilized
 - 11 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 2 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
 - Q1 Frequency Response Measure (FRM): -52.1 MW/0.1Hz
 - Q1 Number of Under-Performed Events: 0 out of 5

Monthly Notes:

- No additional notes or impacts for May 2022

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

June 2022

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.
- Planning continues for the 2022 BANC/SMUD WECC Audit:
 - WECC hosted a pre-audit meeting on June 8th where additional information regarding the WECC team, audit facilities, evidence submittals & tools, data security, and the audit schedule/process/scope was exchanged. BANC/SMUD also consented to early data requests, which will allow WECC to start sending Requests for Information (RFIs) in advance of the on-site weeks.
 - The CIP Level 2 RFI was received on June 8th, with a response due date of August 8th.
 - RSAW and evidence reviews are nearing completion for all standards in scope. BANC/SMUD will submit these and other audit materials to WECC by the June 23rd due date.
 - The on-site portion of the audit is scheduled to take place the last two weeks of August 2022.

BANC MCRC:

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, June 27th via teleconference.

PC Committee Chair Report

BANC Commission Meeting

June 2022

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 Updates or Issues:

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

- PRC-006-5 Underfrequency Load Shedding – Data received from BANC PC Participants was compiled and submitted to the WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector on June 3rd. This data will be combined with other WECC member inputs in the UFLSWG by the OFSPR and submitted to WECC as part of the Southern Island Coordinated Plan (SILTP).
- PRC-023-4 Transmission Relay Loadability – Staff sent out preliminary study results and notification on June 3rd. The draft report will be sent out for review by June 24th.
- PRC-026-1 Relay Performance During Stable Power Swings - The study plan was finalized and shared with BANC PC Participants on May 13th. The preliminary results of the study will be shared by July 26th.
- FAC-014-2 System Operating Limits for the Planning Horizon– The study plan was finalized and shared with BANC PC Participants on May 13th. The preliminary results of the study will be shared by July 8th.
- TPL-001-4 - Transmission System Planning Performance – Preliminary steady states results were sent out on May 13th and reviewed by PC participants. Mitigation was provided by PC participants as needed. Transient stability analysis for RE, REU, and MID has been completed and results were sent to these entities on June 10th. SMUD's analysis is still underway. The short circuit study request was sent out on June 10th with a return deadline of July 8th.
- MOD-033-2 – The dynamic portion of this study is complete. Data requests for the steady state data will be sent out in the latter half of the year.
- TPL-007-4 - Transmission System Planned Performance for Geomagnetic Disturbance Events. Ongoing TPL-007-4 Annual GMD data submission to NERC for GMD events – SMUD upload all 3 GMD events to NERC website (due June 30th).

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-3 Interconnection Studies	100%	There are no new projects in BANC PC Participant area for 2022 which requires FAC-002 assessments. The BANC PC Qualified Changes document has been finalized and distributed as well as posted on the BANC PC 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 12/28/2020.
3	FAC-014-2 Establish and Communicate SOLs	25%	The study plan was finalized and shared with BANC PC Participants on 05/13/22. The preliminary results of the study will be shared by 07/08/22.
4	IRO-017-1 Outage Coordination	0%	Awaiting completion of TPL assessment by December to send out report.
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	60%	Dynamic portion of study is complete. Steady state data request will follow later this year.
8	PRC-006-5 Underfrequency Load Shedding	95%	The BANC PC Data received from BANC PC Participants was compiled and submitted to the WECC OFSPR data collector on 06/03/22. This data will be combined with other WECC member inputs in the UFLSWG by the OFSPR and submitted to WECC as part of the SILTP.

	PC Standard	Estimated % Complete	Notes
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 1/1/2021. Study Plan finalized on 4/10/2020. Working on performing studies for each RAS scheme.
11	PRC-023-4 Transmission Relay Loadability	75%	The study plan was finalized and shared with BANC PC on 05/13/22. Staff sent out preliminary study results on 06/03/22.
12	PRC-026-1 Relay Performance During Stable Power Swings	25%	The study plan was finalized and shared with BANC PC Participants on 05/13/22. The preliminary results of the study will be shared by 07/26/22.
13	TPL-001-4 Transmission System Planning Performance	60%	Steady state results were sent out on 5/13/2022. MID, RE, and REU transient stability analysis is complete. SMUD's analysis is underway. Short circuit study request has been sent.

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	90%	<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 was 07/01/2021.</p> <p>Ongoing, NERC has declared a GMD event ($Kp > 7$) for reporting purposes. The GMD event duration was from 11/3/2021 3:00pm to 11/4/2021 11:59pm. Recording data for these two events 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>

GM Report

BANC Commission Meeting

June 22, 2022

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. Based upon the group's discussions, we have agreed to 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 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 March 22, 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 anticipate that we will be moving to more in-person meetings over the next several months. In addition, the BANC BA Operator (SMUD) has instituted measures to reduce coronavirus risks, including stay at home for most employees with only essential staff working at the offices. The BANC Operator did start transitioning some senior staff back to the office in late March.

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 1st

Quarter 2022 report showing gross benefits of \$15.58 million for BANC, with a total of \$191.41 million in 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. This includes an evaluation of the EIM reserve account in anticipation of summer activities. The results of the evaluation will be presented to both the EIM Committee and BANC Commission at their June meetings.

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 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 due by June 16, 2022. BANC intends to file comments on the straw proposal. The CAISO proposed schedule is to have a final EDAM design ready for EIM Governing Body/CAISO Board of Governors review by December 2022, detailed implementation in 2023, and initial go live in 2024. With the completion of the work group efforts and the anticipation of an initial EDAM straw proposal in late April, BANC staff has initiated EDAM training sessions for the BANC EIM participants as part of the routine EIM Committee meetings. These were held in March, April, and May. We plan to continue the extended meeting schedule as we work through review and comments on the CAISO EDAM proposal.

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 attended a stakeholder market design update meeting in Phoenix on March 29-30, 2022, and virtually monitored the design update on June 1-2, 2022, held in Denver. Market design is still being developed but SPP is forecasting a final design by late 2022. They would be looking for participant commitments in early 2023 with implementation in 2023-2024 and a go live in 2025. Staff will continue to monitor this market option.
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 a consultant to assist in this effort. BANC has been extended an invitation to participate in this group

and is in the process of executing necessary agreements as authorized by the Commission at the May meeting.

WAPA:

Market Engagement

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

WAPA-SNR and BANC continue to hold periodic calls with NCPA to help facilitate discussions on joint issues.

We have also held several discussions with WAPA-SNR, along with WAPA-DSW, on how staff could assist in their decision-making on EDAM participation.

San Luis Transmission Project

WAPA-SNR has announced its intent to work with the Bureau of Reclamation to construct the SLTP. The San Luis & Delta-Mendota Water Authority is moving forward with approving bonding authority to provide WAPA with funding for this project. We will keep the Commission informed as more information becomes available.

WECC

WECC Board Meetings

The last set of Board and committee meetings was held in June 14-15, 2022, which were virtual. WECC has indicated that they moved to a hybrid meeting format starting in May, which should allow for outside entities to attend meetings in person. The next set of Board and committee meetings are scheduled for early September in Las Vegas, NV, which will also be the annual members meeting.

WECC has issued an assessment of resource adequacy for the Western Interconnection. The report concludes that resource adequacy risks to reliability are likely to increase over the next 10 years, and based on current projections, by 2025, each subregion, and the interconnection, will be unable to meet the 99.98%—one-day-in-ten-year—reliability threshold.

WPP

Resource Adequacy Project

As agreed at the September 2021 meeting, 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.

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.

WPP Transition

As part of moving to a FERC approved tariff for the WRAP program, the WPP board will be transitioning from its current structure to a fully independent board. A nominating committee has been formed to assist in the selection of the new independent board members. The WPP members who are not in WRAP have been granted a seat on the nominating committee and the BANC General Manager was selected to fill that role. The nominating committee has held several meetings with a goal of having a slate of independent directors to present to the current board for approval by late this year. Outreach to potential candidates has been initiated with interviews of short-listed candidates expected by late summer.

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.

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 scheduled for submittal to the Legislature in early January 2021; however, it was delayed and not issued until 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.

Western Electricity Industry Leaders (WEIL) Group

The WEIL CEOs last met on May 20, 2022, in Salt Lake City, UT. The next meeting of the WEIL group is being planned for October 28, 2022, in Portland, OR.

Strategic Initiatives

The 2021/2022 Strategic Initiatives updates are attached to this report.

BANC 2021/2022 Strategic Plan - Routine Initiatives June 2022 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	Revisit 3rd Qtr. 2022
3 Medium	OUTREACH	Engage in industry forums (WECC, Peak, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & NWPP Exec. Forum meetings
4 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
5 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BBSW	Ongoing as Necessary	Participating in WEIL group FERC staff update 5/9/22
6 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BBSW	Ongoing	Continue periodic discussions on areas of collaboration
7 Medium	ASSETS	Evaluate establishing BANC criteria for RA resources	Resource Committee	4th Qtr. 2022	Executed contract with CES
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	

BANC 2021/2022 Strategic Plan - Focused Initiatives June 2022 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
10 High		EDAM evaluation effort ~ CAISO Stakeholder Process	Jim Shetler/BBSW	Late 2021 - 2022	Initial Straw Proposal Issued Comments submitted 6/16
		~ CAISO Tariff Development	Jim Shetler/BBSW	2022 - 2023	
11 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, & Tacoma
12 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Participating in WEIL effort on WIRED issues
13 High		Market Regionalization: ~Monitor ongoing discussions at WEIL & other venues	Jim Shetler/BBSW	4th Qtr. 2022	SPP Mkts+ Stkldr Mtgs Mar. 29-30 & Jun 1-2
14 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BBSW	12/31/22	CEC issued report 3/15/21; Initiating coordination effort between CEC & BAAs
15 Medium	ASSETS	Evaluate resource criteria for BANC long-term needs ~ Issue solicitation for projects	Jim S./Res. Com.	4th Qtr. 2021	Continuing discussions with GSCE
16 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5D

1. ***Resolution 22-06-02 Authorization of Market Support Services Contract Extension with Customized Energy Solutions.***

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

6/15/22

TO: BANC Commission

**FROM: BANC General Manager
BANC General Counsel**

RE: Authorization of Market Support Services Contract Extension

In 2020, the General Manager engaged in a process to solicit proposals from several consultants and firms to provide market support services. After assessing the proposals, the General Manager recommended, and the Commission authorized, the BANC General Manager to engage Customized Energy Solutions (CES) to support BANC on current and anticipated market design issues that may arise due to participation in the proposed Enhanced Day Ahead Market (EDAM). The term of that contract expired March 31, 2021, and last year, the Commission authorized, by Resolution 21-07-22, a one-year extension through March 31, 2022.

The General Manager is recommending that we continue with the CES services. The EDAM stakeholder initiative is in full swing. In addition, the CES scope of work covers a host of other CAISO and SPP Markets+ issues that are helpful to understand implications for BANC and its members.

CES has again proposed an annual contract. The annual contract includes discounting off month-to-month services. The total expenditure for this service under the annual prepayment is \$40,500.

There is no current budget impact to this matter, since the services of CES have run under the current authorization approved by the Commission. However, the General Manager's delegated contracting authority is limited to \$25,000 and the contract will run through two BANC fiscal years, and thus Commission action is required. Again, these contract amounts are within the current 2022 budget approved by the Commission, and we anticipate consideration of these services again in the 2023 budget, which will be brought forward for Commission approval later this year.

**Balancing Authority of Northern California
Resolution 22-06-02**

**AUTHORIZATION OF MARKET SUPPORT SERVICES CONTRACT EXTENSION
WITH CUSTOMIZED ENERGY SOLUTIONS**

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 in the past sought assistance to evaluate and review current anticipated market design issues that may arise due to participation in the Energy Imbalance Market (“EIM”) and for support with the proposed Extended Day Ahead Market (“EDAM”) and related market issues; and

WHEREAS, in 2020, BANC contracted with Customized Energy Solutions (“CES”) to perform such services; and

WHEREAS, in 2021, the Commission extended this contract through March 31, 2022; and

WHEREAS, the CES contract continues to provide value to BANC, and it is advantageous and cost effective to renew this contract on an annual basis; and

WHEREAS the BANC General Manager’s delegated contracting authority is limited to \$25,000, which is exceeded by the CES contract annual commitment;

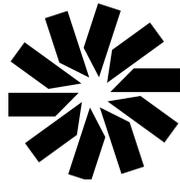
NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the General Manager to enter into a contract with Customized Energy Solutions (CES) for continuing services, attached hereto as Attachment A, for the period of effective April 1, 2022 through March 31, 2023.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22nd day of June 2022, 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



Customized Energy Solutions

Analyze · Simplify · Implement

Task Order 2022-Market IQ 0523BANC

This Task Order replaces Task Order 2021-Market IQ 0401BANC, which is terminated effective the Commencement Date.

Pursuant to this Task Order entered into under the Professional Services Agreement effective the 24th of January 2020 (“Agreement”), Customized Energy Solutions Ltd. (CES or Customized Energy Solutions) will provide the Balancing Authority of Northern California (BANC or Client) Market IQ consulting services in the California ISO's Western Energy Imbalance Market (EIM) and Extended Day-Ahead Market (EDAM) (hereafter referred to as “the Market” or “the Markets”) commencing April 1, 2022 (“Commencement Date”). The deliverables to be provided are as detailed below.

1. Deliverables

1.1. Market IQ Services

- 1.1.1. *Communication.* Customized Energy Solutions will provide regular written reports detailing the issues being addressed in the committees and other stakeholder meetings of the Markets. Customized Energy Solutions will use its discretion, in consultation with the Client, on which meetings to attend and report on based on the Client’s business needs and interests. Additionally, Customized Energy Solutions will, on an ad hoc basis, call or email Client identified contact persons to expeditiously relay pre-specified markets information of particular interest or urgency to the Client. If desired by Client, Customized Energy Solutions will schedule a regular monthly phone conference to discuss and further explain the content of the written reports for any or all of the markets covered.
- 1.1.2. *Highlights.* Key issues discussed during a meeting, as well as impacts of those issues as applicable, will be spelled out in a separate section at the beginning of each report.
- 1.1.3. *Analysis.* Customized Energy Solutions will provide in its communications analysis and rules of the Markets, including what impact current trends or rule-making may have on the Client or market in general.

1.2. Strategic Consultation

- 1.2.1. Subject to availability, Customized Energy Solutions staff may provide Client with additional individualized consultation and analysis (by phone calls and via reports sent electronically or, if agreed, in-person with Client personnel) on matters directly relating to the issues being addressed in the EDAM stakeholder initiative, as well as related CAISO initiatives and meetings.

2. Task Order Contacts

The contact for this Task Order will be:

General Contact:	Barbara Clemenhagen	512-670-6702
Regional Contacts:	Dan Williams	425-449-9731
	Chris Devon	517-294-5473



3. Retainer/Budget

3.1. After the Commencement Date:

3.1.1. **Market IQ Services:** California ISO's Western Energy Imbalance Market (EIM) and Extended Day-Ahead Market (EDAM) Market IQ Service will be provided at **\$40,500 per year payable in advance for service through March 31, 2023** ("Anniversary Date").

3.1.1.1. After the Anniversary Date, the above specified Deliverables will be provided to Client at \$3,900 per month.

3.1.2. **Strategic Consultation** will be provided at a \$350/per hour subject to Customized Energy Solutions availability.

3.2. The rate schedule is subject to adjustment by Customized Energy Solutions on January 1st of each Calendar year after the Anniversary Date.

3.3. At any time after the Anniversary Date either party may terminate these services with 30 days advanced written notice.

3.4. The above sum covers all travel, lodging and miscellaneous expenses, with the exception of those travel expenses incurred by Customized Energy Solutions staff members when visiting Client's business offices at Client's request. In this case, Client will reimburse such expenses as approved in advance by Client.

3.5. Client shall reimburse Customized Energy Solutions for any applicable sales tax that may be imposed on services rendered by Customized Energy Solutions.

4. Use of Materials

CLIENT AGREES TO USE ALL WRITTEN MATERIALS PROVIDED BY CUSTOMIZED ENERGY SOLUTIONS AS PART OF THE SCOPE OF THIS TASK ORDER FOR INTERNAL USE ONLY AND TO NOT DISTRIBUTE THESE MATERIALS TO THIRD PARTIES, OR ATTRIBUTE TO CUSTOMIZED ENERGY SOLUTIONS ANY STATEMENTS MADE THEREIN, WITHOUT THE EXPRESS WRITTEN PERMISSION OF CUSTOMIZED ENERGY SOLUTIONS. CLIENT ACKNOWLEDGES THAT NO PORTION OF ANY CES PUBLICATION DISTRIBUTED UNDER THIS TASK ORDER MAY BE PHOTOCOPIED, REPRODUCED, RETRANSMITTED, PUT INTO A SHARED SERVER OR OTHERWISE REDISTRIBUTED WITHOUT PRIOR AUTHORIZATION FROM CUSTOMIZED ENERGY SOLUTIONS.



5. Task Order Signatures

The signatories hereto represent that they are authorized to execute this Task Order on behalf of the party for whom they sign.

By: _____

By:  _____

Name: _____

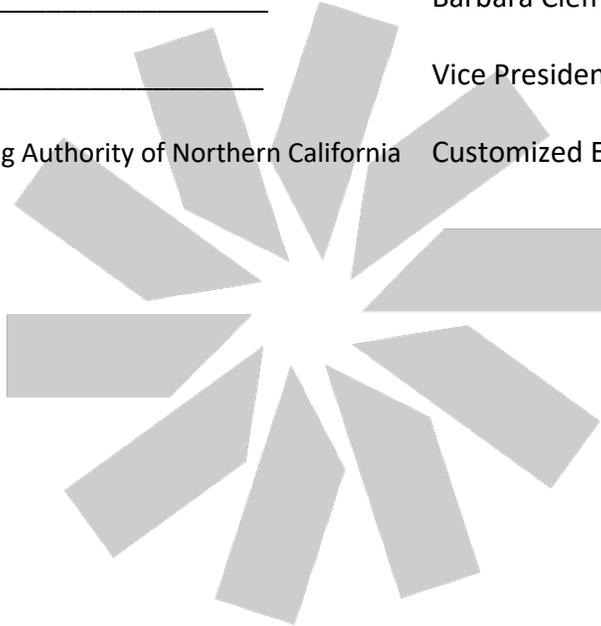
Barbara Clemenhagen

Title: _____

Vice President, Market Intelligence

Company: Balancing Authority of Northern California

Customized Energy Solutions, Ltd.



Customized Energy Solutions