

**Balancing Authority of Northern California**

# Regular Meeting of the Commissioners of BANC

**2:00 P.M.**

**Wednesday, September 22, 2021**

**Telephonic Meeting**

**555 Capitol Mall, Suite 570**

**Sacramento, CA 95814**

# Balancing Authority of Northern California

## NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **September 22, 2021** at **2:00 p.m.** **The meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-29-20 and N-08-021. 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:** 1-408-418-9388

**Meeting number (access code):** 182 258 1318

**WebEx Meeting Link:**

<https://braunblaisingsmithwynne.my.webex.com/braunblaisingsmithwynne.my/j.php?MTID=mf40a453a44c538c2e22967a181f54c63>

### AGENDA

- 1 Call to Order.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
  - A. Minutes of the Regular Commission Meeting & Strategic Planning Session held on August 11, 2021.
  - B. BANC Operator Report (August).
  - C. Compliance Officer Report (September).
  - D. PC Committee Chair Report (September).
  - E. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
  - A. General Manager Updates.
    - i. EIM Update.
      - a. Consider and Possibly Approve Resolution 21-09-14 *Approval of BANC Energy Imbalance Market Resource Sufficiency Test Failure Allocation Methodology and Extension of Associated Grace Period.*
      - b. Consider and Possibly Approve Resolution 21-09-15 *Authorization of Amendment to Extend Utilicast Contract for Services Related to Phase 2 Energy Imbalance Market Post Go-Live Support.*
    - ii. EDAM Update – Discussion and Recommendation on Next Steps.
    - iii. SB100 Update and Briefing on Management of Expected Data Request(s).
    - iv. NWPP Resource Adequacy Program Discussion and Decision on Phases 3A & 3B Participation.
  - B. Budget Review Discussion – Updated Draft 2022 BANC Budget.
  - C. Draft 2021/2022 Strategic Initiatives Review and Discussion.
  - D. Member Updates.
- 6 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to Cal. Gov't Code § 54956.9; anticipated FERC litigation.
- 7 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](mailto:administrator@braunlegal.com).

## **Balancing Authority of Northern California**

# Consent Agenda Items

- A. Minutes of the August 11, 2021 BANC Regular Meeting and Strategic Planning Session.**
- B. BANC Operator Report (August).**
- C. Compliance Officer Report (September).**
- D. PC Committee Chair Report (September).**
- E. General Manager's Report and Strategic Initiatives Update.**

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

August 11, 2021

On this date, a Regular Meeting and Strategic Planning Session of the Commissioners of the Balancing Authority of Northern California (BANC) was held telephonically.

Representatives Present:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	Martin Caballero, Alternate
City of Redding	Dan Beans
City of Roseville	Michelle Bertolino
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Paul Hauser, Vice Chair

<b>Agency</b>	<b>Liaison(s)</b>
Western Area Power Administration (WAPA)	Sonja Anderson Jeanne Haas Arun Sethi Brian Griess

1. Call to Order: Mr. Jim Shetler, BANC General Manager, welcomed the group and introductions by in person attendees followed. Ms. Kris Kirkegaard, BANC General Counsel support, read the names of remote participants aloud, and it was confirmed that a quorum was present. Vice Chair Hauser called the meeting to order at 12:35 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Hauser invited comments from the public and none were given.
4. Consent Agenda: Commissioner Beans moved, Alternate Commissioner Caballero seconded, and a roll call vote was taken. The participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on July 28, 2021; (B) BANC Operator Report for July; (C) Compliance Officer Report for August; (D) PC Committee Chair Report for August; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Braun briefly reviewed the process required by the Fair Political Practices Commission to amend BANC's Conflict of Interest Code. Commissioner Beans moved, Commissioner Bertolino seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-08-04 *Approval of*

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

*Amended BANC Conflict of Interest Code and Authorizing the Initiation of Procedures for Adopting the Code by Written Comment Period.*

6. BANC Strategic Planning Session:

- A. Scott Martin, SMUD's Chief Strategy Officer, provided an overview and update on SMUD's Zero Carbon Plan, touching on potential impacts and market uncertainties facing 2030 plan goals. Mr. Shetler followed with an update on the SB100 Process, reviewing next steps, which include outreach to other BAAs, reliability analysis, and a review of land use and transmission issues. He also raised the potential impacts and opportunities of a move toward zero carbon, encouraging conversation amongst the members around future considerations for BANC.
- B. On the topic of 'Market Regionalization – Is an RTO in our Future?', Mr. Tony Braun, BANC General Counsel reviewed historical regional market developments and BANC's position in the regional market framework, wrapping up with a discussion of potential paths forward and possible impacts to BANC. Mr. Mark Rothleder, CAISO SVP and Chief Operating Officer, presented on potential paths forward and regional prospects brought on by the evolving regional collaboration in the West. Mr. Lanny Nickell, Southwest Power Pool EVP and COO, provided an overview of SPP and its structure, governance, history, growth, and challenges, closing with a review of options for evolving Western markets. A question and answer period followed, allowing the Commissioners to engage with presenters.
- C. Mr. Shetler closed the meeting with a brief discussion of the future direction for BANC, focusing on the guiding principles of strengthening BANC and increasing its value to the members. He suggested that focus areas will likely include: continuing market engagement related to EIM/EDAM/potential West-wide RTO discussions, engaging with SMUD and other members on zero carbon transition plans and understanding the impacts to BANC, coordinating with other POU BAAs and working through the BANC Resource Committee to engage with the Joint Agencies on SB100, and evaluating potential future resources for BANC. He committed to bringing back a revised set of strategic initiatives for the coming year for Commission review.

The Commission adjourned at 4:16 p.m.

Minutes approved on September 22, 2021.

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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 August 2021

## 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
  - 7 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: 2 Minutes
  - Number of BAAL exceedance >10 minutes: None
  - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
  - 2021 Frequency Response Obligation (FRO): -15.5 MW/0.1Hz
  - Q2 Frequency Response Measure (FRM): -64.6 MW/0.1Hz
  - Q2 Number of Under-Performed Events: 0 out of 7
  - Q1~Q2 Frequency Response Measure (FRM): -59.5 MW/0.1Hz
  - Q1~Q2 Number of Under-Performed Events: 1 out of 11 (Cause of under-performed event: There was a 20 MW/min EIM ramping down during the event)

## Monthly Notes:

- No additional notes or impacts for August 2021

A JOINT POWERS AUTHORITY AMONG

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

6

City of Shasta Lake, and Sacramento Municipal Utility District

# Compliance Officer Report

## BANC Commission Meeting

### September 2021

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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.
- A mock audit of select Operations/Planning standards applicable to the BA/PC functions conducted by Archer Energy Group concluded on August 13th, and results are scheduled to be shared with the MCRC at the next meeting.

#### **BANC MCRC:**

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

# PC Committee Chair Report

## BANC Commission Meeting

### September 2021

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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 continues to work toward demonstrating compliance with PC-related NERC reliability standards:

- FAC-002-3 - The draft report of the Eureka Way – Oregon 115 kV Transmission Line Reconductor Project from Redding Electric Utility (REU) was provided for review and comment on August 27<sup>th</sup>. The final report will be completed by September 10<sup>th</sup>.
- FAC-014-2 - The draft report was sent out for review and comment on August 27, 2021. Comments are due by September 10<sup>th</sup>. The final report will be completed and shared on September 24<sup>th</sup>.
- MOD-033-1 Steady-State and Dynamic System Model Validation – The data for the steady state portion of the validation was received, and the validation is set to be completed by the end of October.
- PRC-026-1 – The final report shared with BANC PC Participants on August 27<sup>th</sup>.
- TPL-001-4 - Transmission System Planning Performance – The study report is being drafted and updated to include recommendations from the recent Archer mock auditors. Further cascading analysis is being performed.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-3 Interconnection Studies	95%	There are 3 materially modifying transmission facilities projects at the BANC area in with an updated in service date of Spring 2022.
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	90%	Draft report shared with BANC PC Participants for review and comment by 9/10/2021.
4	IRO-017-1 Outage Coordination	0%	Will send out the annual assessment report to neighboring RCs upon completion of the report.
5	MOD-031-2 Demand and Energy Data	100%	2021 Loads and Resources Supplemental Data Request was 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	80%	Dynamic portion is complete, steady state portion is to be completed by end of October. Data for steady state validation was received from the PC participants
8	PRC-006-5 Underfrequency Load Shedding	100%	BANC PC data request was completed and submitted to the WECC OFSPR group data collector. The data was then compiled into a report by the WECC OFSPR group and submitted to 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 to be effective on 1/1/2021. Study Plan has been finalized on 4/10/2020. Working on performing studies for each RAS scheme.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
11	PRC-023-4 Transmission Relay Loadability	100%	The final report was sent out on 7/12/2021.
12	PRC-026-1 Relay Performance During Stable Power Swings	100%	The final report was sent out on 8/27/2021 to BANC PC Participants.
13	TPL-001-4 Transmission System Planning Performance	85%	The report is being drafted as well as additional cascading analysis is being performed. Other recommendations made by the archer auditors are being incorporated into the study report.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.  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  SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements is 7/01/2021

# GM Report

## BANC Commission Meeting

### September 22, 2021

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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. To date, we have collaborated with the other POUs on joint language to use in the EIM Entity agreement, on how to address market-based rate authority with DMM, potential common language for OATT revisions, and joint comments on the EIM governance issues. We have also used this forum to discuss POU positions regarding the EDAM development. We have also been using this forum to discuss potential 2020 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 next call is scheduled for September 21.

#### **Coronavirus Restrictions**

Though restrictions on public gatherings and travel have been relaxed, BANC continues to generally use remote meeting attendance, both for our own internal member meetings, as well as outside meetings. We expect to relax some of these restrictions 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.

#### **August and Labor Day Weekend 2020 Heat Wave**

The Joint Agencies (CPUC, CEC, and CAISO) issued their initial root cause report from the August 2020 heat wave incidents in late September and a final report on

January 13, 2021. Their conclusion is that there was no single root cause for the rotating outages, but rather several contributing factors, including:

1. The climate change-induced extreme heat storm across the western U.S. resulted in the demand for electricity exceeding the existing electricity resource planning targets. The existing resource planning processes are not designed to fully address an extreme heat storm like the one experienced in mid-August.
2. In transitioning to a reliable, clean and affordable resource mix, resource planning targets have not kept pace to lead to sufficient resources that can be relied upon to meet demand in the early evening hours. This makes balancing demand and supply more challenging. These challenges were amplified by the extreme heat storm.
3. Some practices in the day-ahead energy market exacerbated the supply challenges under highly stressed conditions.

There is also a recommendation that the agencies conduct a state-wide summer assessment on resource adequacy for 2021. It is not clear how this will impact the POUs in California; however, no state-wide summer assessment has been initiated to date. BANC implemented a more detailed approach to our normal summer assessment, which was coordinated through both the Operations and Resource Committees. The final BANC summer assessment report was presented to, and accepted by, the Commission at the April 28 meeting. BANC also participated in discussions initiated by the EIM Entities with the CAISO on analysis of the heat wave incidents. The CAISO also instituted a stakeholder process to address market enhancements for summer 2021, including issues around the EIM Resource Sufficiency Test, export priorities, wheel-through transactions, and system market power mitigation. The CAISO has issued its proposals for moving forward for this summer and filed its tariff amendments at FERC. BANC continues to be engaged in these discussions both jointly with the other EIM Entities and individually as appropriate. BANC has also filed comments in support of the CAISO's proposals for export priorities and unit derates. FERC has approved the CAISO filed tariff amendments.

### **Summer 2021 Heat Waves**

California has seen several heat wave events this summer. BANC has been proactive in preparing for and responding to these events. This has included the BANC Operator holding daily heat wave briefings with the BANC participants on status. The BANC Operator will provide an update on these events at Commission meetings as appropriate.

## **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 2<sup>nd</sup>

Quarter 2021 report showing gross benefits of \$18.12 million. This is the first quarterly report for BANC EIM Phase 2 operations.

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. BANC staff have transitioned the EIM Committee from a project oversight function to a market monitoring/improvement function. This has included the formation of a Technical Evaluation Subcommittee and a Settlements Subcommittee. One of the issues being addressed by the subcommittees is finalizing a recommendation for the Flex Ramp approach, which we expect to bring to the Commission at the September meeting.

### **EDAM Participation**

The EDAM stakeholder process is on hold due to the CAISO's focus on 2021 Summer readiness. The EIM Entities are also focused on summer readiness. It is expected that the CAISO will not restart formal EDAM stakeholder discussions until this fall, though there has been some informal outreach over the summer.

The EIM Governance Review Committee (GRC) issued its Part One Draft Final Proposal on April 12, 2021. This proposal moves forward with supporting all of the recommendations for CAISO Board of Governors approval except for the issue of joint approval authority. The GRC has issued the solution for joint approval authority as well. The recommendations are consistent with positions that BANC has supported in both the EIM group and POU group. These recommendations were approved by both the EIM Governing Body and the CAISO Board of Governors in late August.

### **WAPA:**

#### **Market Engagement**

WAPA-SNR was also successful in its EIM Phase 2 go-live on March 25, 2021.

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

### **San Luis Transmission Project**

WAPA-SNR has announced its intent to work with the Bureau of Reclamation and CDWR to construct the SLTP. We will keep the Commission informed as more information becomes available.

## WECC

### WECC Board Meetings

The latest WECC MAC and Board meetings were held on September 8-9, 2021, which will also be the annual membership meeting. This was a virtual meeting.

WECC has also issued an assessment of resource adequacy for the Western Interconnection.

WECC is also coordinating with NERC on a lessons-learned assessment of the ERCOT/SPP cold weather events this last winter. It is expected that there will be preliminary results by this fall.

## NWPP

### Resource Adequacy Project

In light of the concerns raised in 2018 regarding resource adequacy (RA) for the PNW entities, NWPP initiated a formal project to develop an RA program for the region. As a NWPP member, BANC has been providing funding for the initial phases of this effort. Staff continues to engage in the Phase 2B effort, with active participation on the project design working groups and steering committee. Participants have submitted historical data to the project consultant (SPP) for running of design simulations to determine possible forecasts of RA Program performance. The group is also actively discussing regulatory and governance structure for the program going forward. The group has issued an RFQ for selection of a Program Operator, with a contract expected to be finalized by late summer. It is expected that BANC will need to be prepared for a decision on continuing participation in the NWPP RA Program by August. The RA Program has also initiated an LSE Information Forum (LIF) with its first meeting scheduled for 5/21/21. BANC has reached out to the LSEs in our footprint to ensure that they have been invited to these meetings. The RA Program Executive Committee met on 6/18/21 and endorsed the current status of the program design, governance proposal, and moving forward with development of a contract with a Program Operator and participant agreement. The Executive Committee also met on 7/29 & 30/21 where it endorsed moving forward with the selection of SPP as the Program Operator and with the proposed budget for Phases 3A and 3B. The goal is to have participant approvals by the end of September timeframe to allow initiation of Phase 3A of the program. BANC participation in Phases 3A & 3B will be discussed at the BANC Resource Committee with a recommendation to be brought forward at the September Commission meeting.

## **CDWR Delta Pumping Load:**

BANC is coordinating with SMUD, CDWR, WAPA, and the CAISO regarding how the construction and pumping loads and ancillary services will be provided for this project. The CAISO has reached out to BANC/SMUD/WAPA-SNR regarding contacts for initiating discussions on how CAISO will supply energy for the construction loads in our footprints. With the Governor's announcement that the project will be downsized from two to one tunnel, CDWR has withdrawn the current applications and will be submitting revised environmental documentation. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule.

## **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. In addition, we have done outreach to the CAISO, Pacificorp, NV Energy, and WAPA BA's in California to determine if there is benefit to all BAs coordinating on this effort. BANC filed comments with the agencies on 12/2/19. BANC stated that it supported the long-term goals of the State regarding GHG reductions. However, we also cautioned that the transition from the current mix of resources to the long-term resource mix needs to be done in an orderly manner to ensure that grid reliability and affordability can be maintained for the benefit of the end-use consumers. We also supported a "net zero" carbon approach to meeting the goals, at least on an interim basis. I attended the SB100 workshop on 2/24/2020 and participated on a BA reliability panel. Subsequent to the workshop, staff worked with the other POU BAs (LADWP, IID, and TID) regarding comments to the Joint Agencies. The Joint Agencies held an outreach meeting with the California BAs on August 25, 2020, to brief the BAs on the results of the Agencies initial analysis. This was followed by a public workshop on September 2, 2020. BANC coordinated with the POU BAs via CMUA and filed joint comments on September 15, 2020. The final 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 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. Based upon recent discussions, it is expected that discussions with the Joint Agencies will ramp up this fall regarding the next steps for SB100 including an approach for a reliability analysis.

## **Western Electricity Industry Leaders (WEIL) Group**

The WEIL group has done outreach to the Western Governors' Association with a request to hold discussions on how to better coordinate electricity policy in the

West. Based upon these discussions, the Western Governors and WEIL agreed to make use of the Center for a New Energy Economy (CNEE), which is headed by former CO Governor Ritter, to facilitate further dialogue. This effort has been designated as the Western Interconnection Regional Electricity Dialogue (WIRED). The group agreed to focus discussions around three topics:

- State clean electricity goals and GHG accounting
- Reliability/resource adequacy
- Transmission planning and development.

Initial draft reports have been developed by the work groups and are now being reviewed both by WEIL and the state energy policy advisors. The goal was to have a set of actionable recommendations that could be presented to the December Western Governors meeting. However, it is now expected that it will be later in 2021 before we are ready for any possible recommendations. The WEIL group discussed and reached consensus at its February CEO meeting on a position statement for this effort. WEIL continues to coordinate with CNEE and the key state energy advisors on next steps in this effort.

The WEIL CEOs met on May 10, 2021, with discussions that included:

- Update from DOE Deputy Secretary David Turk on Biden Administration plans regarding the electricity sector,
- Update from SPP CEO Barbara Sugg on current SPP issues and initiatives,
- Update from WECC CEO Melanie Frye,
- Discussion on current status of the WIRED initiative,
- CEO roundtable on Summer 2021 readiness.

The next meeting of the WEIL group is being planned for October 8.

## **Strategic Initiatives**

An update of the 2020/2021 Strategic Initiatives is attached to this report. The draft 2021/2022 Strategic Initiatives will be discussed at the September Commission meeting.

BANC 2020/2021 Strategic Plan - Routine Initiatives September 2021 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 in 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 outreach to West governors
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 joint options for resource needs for BA	Resource Committee	4th Qtr. 2021	Initiating discussions on possible BANC resource addition
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	

BANC 2020/2021 Strategic Plan - Focused Initiatives September 2021 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage implementation of EIM Phase 2 participation effort	Jim Shetler/SMUD	3/25/21	COMPLETED on 3/25/21
10 High		Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Initiated Phase 2 operations including Tech Analysis & Settlements committees
11 High		EDAM evaluation effort ~ CAISO Stakeholder Process ~ CAISO Tariff Development	Jim Shetler/BBSW Jim Shetler/BBSW	3rd Qtr. 2021 1st Qtr. 2022	On Hold/Fall restart On Hold
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	Participating in WEIL effort on WIRED issues
14 High		Regionalization: ~Monitor CAISO GRC effort	Jim Shetler/BBSW	4th Qtr. 2021	GRC proposals adopted by GB & BOG
15 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BBSW	12/31/21	CEC issued report 3/15/21; Initiating coordination effort between CEC & BAAs
16 Medium	ASSETS	Evaluate resource criteria for BANC long-term needs	Jim S./Res. Com.	4th Qtr. 2021	Initiating discussions on possible BANC resource addition
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	Approved EIM Participation Agreement Amendments

## Balancing Authority of Northern California

### Agenda Item 5Aia

1. **BANC Resource Sufficiency Test Approach Redline.**
2. **Resolution 21-09-14 *Approval of BANC Energy Imbalance Market Resource Sufficiency Test Failure Allocation Methodology and Extension of Associated Grace Period.***
3. **Attachment A to Resolution 21-09-14: BANC Resource Sufficiency Test Approach.**

# **Braun Blaising Smith Wynne, P.C.**

Attorneys at Law

09/14/21

**To: BANC Commission**

**From: BANC Counsel**

**RE: BANC Flexible Ramping Sufficiency Test Failure Allocation Methodology and Extension of the Associated Grace Period**

## Summary of Requested Commission Action

This memorandum and accompanying Balancing Authority of Northern California (BANC) Resolution 21-09-14 follows up on two Commission directives to the General Manager on the Resource Sufficiency Test (RST) approach for participation in the Energy Imbalance Market. BANC's initial methodology for addressing RST failure consequence was adopted by the Commission by BANC Resolution 20-11-11. Specifically, the Resolution directed the General Manager:

1. To adopt an interim Grace Period applicable to the BANC Members participating in EIM, and during that Grace Period develop a methodology to allocate Flex Ramp failure costs before such costs are distributed to the EIM Participants and prior to the end of the Grace Period; and
2. To bring this Flex Ramp failure cost allocation methodology back to the Commission for their consideration and approval.

For the reasons described herein, we are requesting action to: (1) adopt a successor methodology as agreed up by the members through the EIM Committee; and (2) extend the Grace Period from September 30, 2021 to November 30, 2021 to allow for implementation of the successor methodology. During this extension period, no BANC-imposed Flex Ramp failure costs will be directly assigned to Energy Imbalance Market (EIM) Participants. Both the allocation methodology, inclusive of an agreed-upon pricing index, and the two-month extension of the grace period have been reviewed and approved by the EIM Committee.

## Background

All EIM Entities must pass the RST as a condition of market participation as set forth in the California Independent System Operator Tariff.<sup>1</sup> The RST ensures that each EIM Entity BAA comes to the market fully resourced and that no EIM Entity BAA is leaning on the broader CAISO EIM footprint to serve its load, in addition to having sufficient flexible capacity that can

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<sup>1</sup> The RS test occurs at the EIM Entity/BAA level; however, it requires all of the internal BANC EIM Participants to individually meet their obligations to avoid a cumulative failure. Failure of RS can result in BANC's EIM transfers being limited for the failed intervals, potentially resulting in lost opportunities for non-failing EIM Participants (i.e., one EIM Participant's failure can impact all of BANC).

be responsive to fluctuations due to forecast error and intermittent resource performance. Upon the deployment of Phase 2 of the EIM in the BANC Balancing Authority Area (BAA), BANC staff and the BANC EIM Committee recommended that the Commission adopt an initial and interim approach to the RST.

There are two subparts to the RST: 1) the Balancing Test, which requires an EIM Entity to come to the table with sufficient capacity to meet its forecasted load obligations; and 2) the Flex Ramp Test, which includes a requirement that each EIM Entity also carry a CAISO-determined and allocated amount of flexible RS, which varies interval-by-interval depending on the CAISO's projected need for fast-ramping resources to address intermittent resource fluctuations and CAISO forecast error.<sup>2</sup> Because the Flex Ramp Test requirement varies and cannot always be fully anticipated, it can present a problem for some utilities, including some within BANC, with less flexibility in their resource portfolios, particularly during certain periods of the year. To address this concern, the Commission adopted a "grace period" of six-months with respect to direct allocations of BANC-imposed costs related to the Flex Test. Proposed Resolution 21-09-14 will extend this grace period by two months to provide additional time to implement the allocation of the costs related to Flex Test failures to EIM Participants, as described further in the memorandum.

The BANC internal development and discussion process has concluded, and the EIM Committee has approved the proposed methodology and pricing to be used for the allocation of Flex Ramp failure costs to EIM Participants. The details of the proposal are found in Exhibit A to this memorandum (BANC Resource Sufficiency Test Approach Redline) and summarized below.

The proposed allocation methodology is based upon the "ratio for each EIM Participant of its EIM Load Forecast over the sum of all EIM Participant's Load Forecasts." This results in a ratio of the CAISO's Flex Ramp Up/Down Requirement which can be allocated to each EIM Participant. Every EIM Participant with "excess" Flex Ramp Capacity will be deemed to be a "supplier," and those deficient will be deemed as a "purchaser." The settlement price related to both Flex Up Capacity and Flex Down Capacity will be tied to the CAISO's NP26 index price, as follows:

- Flex Up Capacity Price = CAISO Day Ahead Hourly Reg Up NP26
- Flex Down Capacity Price = CAISO Day Ahead Hourly Reg Down NP26

Furthermore, there will be both a "price floor" and a "price ceiling" to remove any extreme results. These are as follows:

- Price Floor: The price used for BANC Flex Ramp settlement will not fall below \$1.00. If the published price for a test interval is less than \$1.00, BANC Participants will substitute a fixed \$1.00 price.
- Price Ceiling: The price used for BANC Flex Ramp settlement will not be greater than \$250.00. If the published price for a test interval is greater than \$250.00, BANC Participants will substitute a fixed \$250.00 price.

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<sup>2</sup> The full name is the Flexible Ramping Sufficiency Test.

Finally, the methodology has a provision for “special circumstances,” including an EIM market failure and to address instances when the total excess Flex Capacity MWs held by suppliers may be less than the total shortfall Flex Capacity MWs, in which case the deemed sale of excess capacity by a supplier will be capped at the total excess Flex Capacity.

It took the entirety of the Grace Period to work through this complex issue and accompanying methodology, and the extension requested in the resolution today allows for implementation of the methodology. We recommend that the Commission approve the proposed Flex Test failure allocation methodology, including the proposed pricing index, and the two-month extension of the Grace Period, as set forth in the attached proposal and BANC resolution.

## Exhibit A - BANC Resource Sufficiency Test Approach Redline

# BANC Resource Sufficiency Test Approach

This document describes the agreed-upon methodologies for the Balancing Authority of Northern California (BANC) Resource Sufficiency Test Approach (RSTA), both with respect to the BANC Balancing Test (Part 1) and the BANC Flex Ramp Test (Part 2).

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### Part 1 - BANC Balancing Test Approach:

Each EIM Participant will make all reasonable efforts to achieve a balanced EIM position prior to T-55 minutes before the target hour. EIM Participants may bilaterally trade balancing capacity to aid themselves in achieving that goal.

1. All EIM Participants will participate in the EIM by making resources available to the EIM as fully as possible. After making all reasonable efforts, no EIM Participants will withhold EIM Resource Sufficiency (RS) Capacity.
2. EIM Participants must have an EIM balanced resource *plan* in EIM Day Ahead (DA) timeframe (by DA at 10:00am).
3. EIM Participants will enter each hour (prior to T-80) balanced<sup>1</sup> to the most current hourly EIM Load Forecast.
4. Ideally, prior to T-80<sup>2</sup>, EIM Participants without Generator Base Schedules or without adequate EIM balancing capability for the target hour will execute bilateral balancing capacity trades with another EIM Participant for the target hour.
5. For CAISO EIM Load Forecast changes at T-80 and T-60, EIM Participants will re-achieve a balanced EIM position by either:
  - a. Adjusting their own EIM Generator Base Schedules or executing energy bilateral trades (which are successfully e-Tagged by T-57).
  - b. Exercising their previously executed bilateral EIM Balancing product trade which results in the seller of the capacity adjusting their EIM Generator Base Schedules to compensate for the buyer's unbalanced position.
6. At T-55, if the BANC/EIM Entity BA is not balanced to within 1% of its Load forecast, then the BANC EIM Operator will work to bring the BA within 1%. The BANC/EIM Entity BA will use the following process:
  - a. After T-55 (and before T-40), if the BANC/EIM Entity BA is greater than 1% unbalanced, then:
    - i. BANC EIM Operator identifies the EIM Participant that is most unbalanced (using the Operator's OATI system). BANC Operator requests a MW Base Schedule change from that EIM Participant which will bring the BANC/EIM Entity BA within 1% of balanced.
    - ii. The EIM Participant responds in one of two ways:
      1. Tells the EIM Operator the EIM Generator Base Schedule change that should be made to bring the EIM Participant into balance.

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<sup>1</sup> EIM Participants with Interconnected Operating Agreements or "IOAs" with WAPA will also consider their Deviation Band capacity in making balanced resource plans.

<sup>2</sup> Carrying a known unbalanced position past T-80 without capability to achieve balance puts the BANC/EIM Entity BA and its EIM Participants at greater risk of failing the EIM Balancing Test (and at extreme imposes a Reliability issue on the BANC/EIM Entity BA). An EIM Participant which fails to obtain EIM balancing capacity prior to T-80 repeatedly will be brought to the attention of the EIM Committee for further action.

2. Tells the EIM Operator that they are unable to respond, thus accepting their unbalanced position will become binding. Time permitting, the EIM Operator will begin the process with the next most unbalanced EIM Participant.
- b. Go to a. if BANC/EIM Entity BA remains more than 1% unbalanced.

#### **Binding Unbalanced Position Settlement Implications**

The process outlined above recognizes that BANC/EIM Entity BA may be unbalanced greater than 1% in some circumstances. In these cases, to receive an Over- or Under-Scheduling charge, the BANC/EIM Entity BA must also end the hour with its total Load Base Schedule more than 5% different from the total BANC/EIM Entity BA Metered Load. When BANC Load Imbalance is greater than 5% of total BANC Metered Load, then all EIM Participants on the 'harm' side of the Imbalance MWs will receive a portion of the BANC charge in proportion to their Imbalance MWs. [Participants on the "helping" side of Imbalance receive no charge or credit.]

BANC weighed an option of utilizing a BANC balancing Provider of Last Resort (POLR). This POLR Participant could stand ready to provide up to some limit of BA balancing MW capacity in all hours. However, the cost of these POLR MWs appeared to exceed the expected penalty charges EIM Participants may receive. A POLR would need to be compensated for 24X7 Balancing capacity. This capacity charge must be paid by all EIM Participants, whether or not the capacity is required. Also, EIM Participants would need to determine in advance the maximum Balancing capacity MWs. The POLR would not provide more than that MW capacity to support balancing in any hour. Therefore, POLR would not be an absolute guarantee against the Over- / Under-Scheduling charge in all cases.

BANC will track EIM RS Balancing Test failures, and which EIM Participant(s) caused each failure. Any EIM Participant creating a large number of failures in a given month may be required to arrange balancing capacity with another EIM Participant to lower the risk of failures.

#### **EIM Balancing Product:**

It is understood that certain EIM Participants are planning to develop an EIM Balancing Product which will allow any two EIM Participants to exchange their unbalanced positions; is simpler to implement than an energy trade in the short time frames; and one that recognizes that Energy may not be required to resolve the unbalanced position.

The product should have certain characteristics:

- Should have an 'up to' capacity limit.
- Available in all periodicities:
  - Single hour –
  - Multiple hours, week, month, etc.
- Require minimal actions by either party to enact each hour.
- Should leverage the balancing transparency that BANC BAA is attempting to enable.
- Should have a known price per capacity MW at the time the deal is struck.
- Does not require BANC Settlement Allocation – must be settled as a bilateral trade between the two parties.

Here is an example of how a product which meets these requirements could work:

1. Party A has no generator Base Schedules available for adjusting to balance in the target hour. Party B has excess capacity for balancing.
2. Party A agrees to pay party B \$XX.XX per MW for up to +/- 10 MWs of balancing capacity in the target hour.
3. Party B monitors the BANC BAA Balance view<sup>3</sup> for Party A's unbalanced position. Party B adjusts its Gen Base Schedules to accommodate its imbalance, plus Party A's imbalance.
  - a. Party B will over/under balance by up to 10 MWs to offset Party A's imbalance.
  - b. Party B continues to maintain Party A's imbalance until the T-55 deadline.
4. Party A monitors the BANC BAA Balance view to ensure Party B is responding to its imbalance position.

The example demonstrates how a single hour deal could be enacted. The same approach could be struck for multiple hours or longer (a week, a month, etc.).

## Part 2 - BANC Flex Ramp Test Approach:

Each BANC Participant will make all reasonable efforts to supply adequate Flex Ramp capacity in every EIM Market hour. After the fact, BANC will determine each BANC Participant's Flex Ramp requirement, and Flex Ramp capacity. Any participant with a Flex Ramp requirement greater than its Flex Ramp capacity will be deemed to have purchased the shortfall capacity from a BANC Participant with excess Flex Ramp capacity. However, in the first -months of BANC EIM Phase 2 operations, commencing on March 25, 2021, no EIM Participant will be assigned BANC-imposed Flex Ramp failure costs consistent with Attachment A to this RSTA, which sets forth the "BANC EIM Flex Ramp Grace Period" (Grace Period), agreed upon by the EIM Participants and approved by the Commission.

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### **BANC Participant Flex Ramp Capacity:**

BANC will take advantage of an CAISO CMRI System report to determine each EIM Participant's Flex Up/Down Capacity MWs in each hour. The after the fact report presents each EIM Generator's Upward and Downward capacity for each 15-min interval of a given hour. The report can be found on the following path (CMRI System access required):

- CAISO Market Portal >> CMRI >> Real-Time [Tab] >> Resource Ramp Capacity [Report]

For each hour, each BANC EIM Participant's Flex Up/Down capacity will be determined from this report.

- The report presents Up and Down ramp capacities separately. BANC will calculate each EIM Participant's Flex Up and Down Capacities separately – using the separately reported up/down ramp capacity values.
- BANC will use the T-40 (binding) report output for each hour.
- BANC will use the 4<sup>th</sup> 15-min interval's values. The report presents values for each 15-min interval of the target hour. BANC RS Work Group agreed that the 4<sup>th</sup> interval would be an appropriate proxy for the hourly ramp capacity since it would be the capacity provided over the greatest period of time for the hour.

<sup>3</sup> OATI supplied view which has been delivered and is in testing. This view shows each BANC Member's EIM balance position for the target hour starting at T-80 minutes.

- BANC will sum the 4<sup>th</sup> interval ramp capacities across each of the EIM Participant's generators to determine each Participant's Flex Up/Down Capacity for the hour.

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Therefore, the BANC EIM Flex Up/Down Capacity Calculations are:

$$BEP\_FLX\_DOWN\_CAP_{HOURL, BEP} = \sum_{BEP's\ Gens} RAMP\ UP\ CAPACITY_{Interval\ 4}$$

$$BEP\_FLX\_UP\_CAP_{HOURL, BEP} = \sum_{BEP's\ Gens} RAMP\ DOWN\ CAPACITY_{Interval\ 4}$$

Where:

$RAMP\_UP\_CAPACITY_{Interval\ 4}$  = An EIM PR Generator's Ramp Up Capacity from the ISO CMRI "Resource Ramp Capacity" Report.

$RAMP\_DOWN\_CAPACITY_{Interval\ 4}$  = An EIM PR Generator's Ramp DOWN Capacity from the ISO CMRI "Resource Ramp Capacity" Report.

NOTE: "BEP" = BANC EIM Participant; and "HOURL" is the target hour; "Interval 4" refers to the 4<sup>th</sup> 15-min interval.

### EIM Participant Flex Ramp Requirement

After the CAISO's T-40 minutes RS Flex Ramp Up/Down Test is executed, the CAISO publishes the binding BANC Flex Up/Down Requirement MWs in the CMRI Report: Flexible Ramp Requirements Inputs. The BANC seeks to use those BANC Flex Ramp Up/Down Requirement values as inputs for determining each BANC EIM Participant's Flex Ramp Up/Down Requirement MWs in a look-back report process.

In an after the fact calculation, BANC will create a ratio for each EIM Participant of its EIM Load Forecast over the sum of all EIM Participant's Load Forecasts. Thus, each EIM Participant will have a ratio which can be applied to the CAISO's Flex Ramp Up/Down Requirement for the BANC/EIM Entity BAA to determine each Participant's Requirement.

To calculate each EIM Participant's Flex Up/Down Requirement MW:

1. Calculate each EIM Participant's Hourly EIM Flex Ramp requirement load forecast ratio as:

$$BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} = BEP\_LOAD\_FORECAST_{HOURL, BEP} / BANC\_LOAD\_FORECAST_{HOURL}$$

WHERE:

$BEP\_LOAD\_FORECAST_{HOURL, BEP}$  = The BEP's ISO EIM Load Forecast which is in effect at T-40.

$BANC\_LOAD\_FORECAST_{HOURL}$  =  $\sum [ BEP\_LOAD\_FORECAST_{HOURL, BEP} ]$

NOTE: "BEP" = BANC EIM PARTICIPANT; and "HOURL" is the target hour.

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2. Use each EIM Participant's Hourly EIM Flex Ramp requirement load forecast ratio to allocate the CAISO's total BANC Flex Up and Flex Down Requirement MWs for each hour.

$$BEP\_FLX\_UP\_REQ_{HOURL, BEP} = [ BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} * BANC\_FLX\_UP\_REQ_{HOURL} ]$$

$$BEP\_FLX\_DOWN\_REQ_{HOURL, BEP} = BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} * BANC\_FLX\_DOWN\_REQ_{HOURL}$$

WHERE:

$BANC\_FLX\_UP\_REQ_{HOURL}$  = The ISO's BANC EIM Flex Ramp Up Requirement for hour at T-40 test as reported in the ISO CMRI Report: Flexible Ramp Requirements Inputs.

$BANC\_FLX\_DOWN\_REQ_{HOURL}$  = The ISO's BANC EIM Flex Ramp Down Requirement for hour at T-40 test as reported in the ISO CMRI Report: Flexible Ramp Requirements Inputs.

#### **After the fact EIM Participant Flex Ramp Supplier(s)**

In each hour, any EIM Participant with excess Flex Ramp capacity will be deemed a BANC Flex Ramp “supplier” (Supplier) for the hour. After the fact, when there is an EIM Participant shown to be deficient Flex Ramp capacity, then all BANC Flex Ramp suppliers will be deemed to have sold a portion of their excess to the deficient EIM Participant.

Each Supplier’s excess Flex Ramp capacity will be divided by the total of all Suppliers’ excess Flex Ramp capacity to create a ratio for each Supplier.

Each Supplier will be deemed to have supplied their ratio of Flex Ramp Capacity MWs to the EIM Participants which were short of Flex Ramp capacity.

#### **BANC Flex Ramp Settlement Price**

The price at which a Supplier’s excess Flex Ramp Capacity is deemed to be sold to EIM Participants which were short will be set by the following CAISO published price indexes:

- Flex Up Capacity Price = CAISO Day Ahead Hourly Reg Up NP26
- Flex Down Capacity Price = CAISO Day Ahead Hourly Reg Down NP26

\*\*Note both prices are published on the CAISO’s public OASIS website.

The BANC Participants will apply a price floor and ceiling to the published ISO prices in order to remove some extreme results:

- Price Floor: The price used for BANC Flex Ramp settlement will not fall below \$1.00. If the published price for a test interval is less than \$1.00, BANC Participants will substitute a fixed \$1.00 price.
- Price Ceiling: The price used for BANC Flex Ramp settlement will not be greater than \$250.00. If the published price for a test interval is greater than \$250.00, BANC Participants will substitute a fixed \$250.00 price.

#### **BANC Flex Ramp Test – Exceptional Circumstances:**

Several specific circumstance may arise in the CAISO’s Flex Ramp data or market execution which require special treatment by the BANC EIM Entity when calculating each BANC EIM Participant’s Flex Ramp results:

- EIM Market Failure or other CAISO driven data issues: In rare instances, the EIM Market may fail to find a feasible solution, or other CAISO data issues may result in the CAISO’s Flex Ramp, Gen Capacity, or Load Forecast data to be unavailable or unrepresentative of the interval’s actual results. In these cases, BANC EIM Entity will deem all BANC Participants to have ‘passed’ the BANC Flex Ramp Test; and all EIM Participants will have zero MW excess Flex Ramp Capacity.
- BANC Participant excess Flex Capacity is less than shortfall flex capacity: In rare cases, the total excess Flex Capacity MWs held by Suppliers may be less than the total shortfall Flex Capacity MWs. In these cases, the deemed sale of excess capacity will be capped at

the total excess Flex Capacity. [No EIM Participant “Supplier” will be deemed to have supplied more Flex Capacity than the excess they have for that interval.]

**BANC Will Not Support Settlement of Pre-Purchase of BANC Flex Ramp Capacity**

BANC has decided it will not formally support the Settlement of pre-purchased Flex Ramp Capacity. This does not preclude the EIM Participants from developing a bilaterally settled BANC Flex Ramp capacity product. BANC recognizes that the complexity and cost of tracking and settling pre-purchased BANC Flex Ramp capacity will be greater than the benefit of providing this service.

**Deleted:** During the Grace Period, the BANC Flex Ramp capacity price will be tracked based on two indices set equal to the same-hour three-year average day-ahead price of Regulation (Up/Down) and Spin for the current month using prices published in CAISO day-ahead market clearing price. During the Grace Period, the indices will be assessed for alignment to cost-causation principles and reviewed by the BANC EIM Committee, with the goal of having a recommendation for Commission approval by the end of the fourth month.

09-22-21 REDLINE UPDATES

## Attachment A

### BANC EIM Flex Ramp Grace Period

This document provides an agreed-upon eight-month “Grace Period” from the imposition of its own internal Flex Ramp costs on EIM Participants by the Balancing Authority of Northern California (BANC). This document serves as an attachment to the BANC Resource Sufficiency Test Approach or “RSTA” and is intended to be entirely consistent with that document. Any inconsistencies between this Attachment A and the RSTA shall be construed in favor of the RSTA.

#### Grace Period

No BANC-imposed Flex Ramp failure costs will be distributed directly to an Energy Imbalance Market (EIM) Participant during first eight (8) months (i.e., March 25, 2021 to November 30, 2021), which will be the BANC EIM Phase 2 operations Grace Period, in accordance with the following:

1. Unless otherwise defined in this document, any terms of art used herein shall have the same meanings as used in the BANC EIM Business Practices (BP) and associated attachments, BANC EIM Participation Agreement, and the California Independent System Operator (CAISO)/Market Operator Tariff.
2. EIM Participants will make all reasonable efforts to provide maximum Flex Ramp capacity megawatts (MWs) for each hour.
3. EIM Participants will participate in after the fact analysis sessions; and support reasonable lessons learned process enhancements.
4. EIM Charges related to Flex Ramp assessed by the CAISO to the EIM Entity will be allocated to EIM Participants as defined in Attachment A to the BP (BANC EIM Settlement Allocation Manual).
5. The EIM Entity will monitor Flex Ramp outcomes and Resource Sufficiency (RS) issues daily via the CAISO-supported daily review sessions, and as-needed additional conference calls. Information will be disseminated to EIM Participants and/or EIM Committee in accordance with the following:
  - a. Reports to EIM Participants.  
Report format will be defined prior to market start which will support this analysis and review.
  - b. Monitor for individual impacts.

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Any EIM Participant may raise concerns to the EIM Committee regarding an issue that they believe has material impact on their utility

- c. Monitor for operational/reliability issues.

Bring impact issues or operational/reliability issues to the attention of the EIM Committee.

- i. A moving seven-day Flex Up Ramp Test or Flex Down Ramp Test pass rate of less than ninety-nine (99) percent shall trigger immediate notification of the EIM Committee.
- ii. A material impact that is brought to the attention of the EIM Committee will be evaluated to determine if there is a need to modify the Grace Period procedure. Any decision to modify the procedure will require a majority vote of the EIM Committee, with a requirement that the majority vote must include at least one “Flex Rich” entity and at least one “Flex Poor” entity.<sup>1</sup> Any EIM Participant may appeal a decision to the Commission by requesting that the General Manager bring the issue forward to the Commission for discussion and possible action.

- 6. Consistent with the RSTA, the EIM Committee shall:

- a. Monitor Flex Ramp results on a regular basis (at a minimum, formally at each monthly committee meeting):
  - i. Summary reports will be defined prior to market start, which EIM Committee members can receive via email on regular basis.
  - ii. The EIM Committee will be prepared to address RS issues coming from daily analysis/review.
- b. Meet, as needed, and develop the methodology to allocate Flex Ramp failure costs before such costs are distributed to the EIM Participants and prior to the end of the Grace Period. This allocation methodology will be approved by the Commission.

- 7. The Grace Period can be *terminated* by a recommendation of the EIM Committee to the BANC Commission, which will make the final decision on termination, when extraordinary impacts or operational/reliability issues are persistent; however, the EIM Committee must approve an alternative proposal prior to termination of the existing Grace Period procedure.

- a. Any recommendation to the Commission to terminate the Grace Period and to recommend an alternative will require a *majority vote* of the EIM Committee, with a requirement that the majority vote must include at least one Flex Rich entity and at least one Flex Poor entity.

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<sup>1</sup> For purposes of this document, “Flex Rich” entities are defined as the Modesto Irrigation District and the Sacramento Municipal Utility District; “Flex Poor” entities are defined as the Cities of Redding and Roseville.

EIM Participants will continue to support on-going development of Flex Ramp capacity sources, strategies, products, or cost assessments during the six (6)-month Grace Period in accordance with this document and the RSTA.

09-22-21 REDLINE UPDATES

**Balancing Authority of Northern California  
Resolution 21-09-14**

**APPROVAL OF BALANCING AUTHORITY OF NORTHERN CALIFORNIA ENERGY  
IMBALANCE MARKET RESOURCE SUFFICIENCY TEST FAILURE ALLOCATION METHODOLOGY  
AND EXTENTION OF ASSOCIATED GRACE PERIOD**

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

WHEREAS, BANC serves as the Energy Imbalance Market (“EIM”) Entity for the BANC EIM footprint; and

WHEREAS, BANC EIM Phase 1 successfully commenced operating in April of 2019 with the Sacramento Municipal Utility District (“SMUD”) as the initial EIM Participant within the BANC Balancing Authority Area; and

WHEREAS, subsequent to the operation of BANC EIM Phase 1, the Modesto Irrigation District, the City of Redding, the City of Roseville and the Western Area Power Administration – Sierra Nevada Region determined that they desired to participate in EIM, referred to as “BANC EIM Phase 2,”; and

WHEREAS, BANC EIM Phase 2 successfully launched on March 25, 2021; and

WHEREAS, participation in the EIM, operated by the California Independent System Operator (“CAISO”), requires that BANC, as the EIM Entity, must pass certain hourly and sub-hourly Resource Sufficiency (“RS”) tests (“RS Tests”) conducted by the CAISO to ensure that participating Balancing Authority Areas do not lean on the EIM to serve their underlying load serving obligations; and

WHEREAS the RS Tests include, among them, a RS “Balancing Test” to ensure sufficient capacity to meet load and a RS flexibility test, or “Flex Test” to ensure sufficient upward and downward ramping capability by each EIM Entity to address forecast and resource variability, in the real time market; and

WHEREAS, in recognition of the complexities and challenges of the Flex Test and BANC’s lack of operational history, the Commission, through Resolution 20-11-11, adopted a Grace Period, whereby no costs associated with failures of the Flex Test by EIM Participants will be allocated; and

WHEREAS, the Commission further directed the General Manager to: 1) develop the methodology to allocate Flex Ramp failure costs before such costs are distributed to the EIM Participants and prior to the end of the Grace Period; and 2) bring this Flex Ramp failure cost allocation methodology back to the Commission for their approval; and

WHEREAS, the General Manager, in coordination with the EIM Committee, has developed a successor methodology consistent with Commission direction; and

WHEREAS, the General Manager, in consultation with the EIM Committee, have determined that in order to facilitate the adoption of the proposed allocation methodology for the costs associated with EIM Participant failures of the Flex Test, an extension of the Grace Period for an additional “two months” is warranted.

**Balancing Authority of Northern California  
Resolution 21-09-14**

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

1. Approve the methodology to allocate Flex Test failure costs in accordance with Attachment A to this Resolution; and
2. Approve the proposed extension of the Grace Period for the allocation of Flex Test failure costs to EIM Participants from September 30, 2021, to November 30, 2021.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22<sup>nd</sup> day of September 2021, by the following vote:

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

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James McFall  
Chair

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Attest by: C. Anthony Braun  
Secretary

# BANC Resource Sufficiency Test Approach

This document describes the agreed-upon methodologies for the Balancing Authority of Northern California (BANC) Resource Sufficiency Test Approach (RSTA), both with respect to the BANC Balancing Test (Part 1) and the BANC Flex Ramp Test (Part 2).

## Part 1 - BANC Balancing Test Approach:

Each EIM Participant will make all reasonable efforts to achieve a balanced EIM position prior to T-55 minutes before the target hour. EIM Participants may bilaterally trade balancing capacity to aid themselves in achieving that goal.

1. All EIM Participants will participate in the EIM by making resources available to the EIM as fully as possible. After making all reasonable efforts, no EIM Participants will withhold EIM Resource Sufficiency (RS) Capacity.
2. EIM Participants must have an EIM balanced resource *plan* in EIM Day Ahead (DA) timeframe (by DA at 10:00am).
3. EIM Participants will enter each hour (prior to T-80) balanced<sup>1</sup> to the most current hourly EIM Load Forecast.
4. Ideally, prior to T-80<sup>2</sup>, EIM Participants without Generator Base Schedules or without adequate EIM balancing capability for the target hour will execute bilateral balancing capacity trades with another EIM Participant for the target hour.
5. For CAISO EIM Load Forecast changes at T-80 and T-60, EIM Participants will re-achieve a balanced EIM position by either:
  - a. Adjusting their own EIM Generator Base Schedules or executing energy bilateral trades (which are successfully e-Tagged by T-57).
  - b. Exercising their previously executed bilateral EIM Balancing product trade which results in the seller of the capacity adjusting their EIM Generator Base Schedules to compensate for the buyer's unbalanced position.
6. At T-55, if the BANC/EIM Entity BA is not balanced to within 1% of its Load forecast, then the BANC EIM Operator will work to bring the BA within 1%. The BANC/EIM Entity BA will use the following process:
  - a. After T-55 (and before T-40), if the BANC/EIM Entity BA is greater than 1% unbalanced, then:
    - i. BANC EIM Operator identifies the EIM Participant that is most unbalanced (using the Operator's OATI system). BANC Operator requests a MW Base Schedule change from that EIM Participant which will bring the BANC/EIM Entity BA within 1% of balanced.
    - ii. The EIM Participant responds in one of two ways:
      1. Tells the EIM Operator the EIM Generator Base Schedule change that should be made to bring the EIM Participant into balance.

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<sup>1</sup> EIM Participants with Interconnected Operating Agreements or "IOAs" with WAPA will also consider their Deviation Band capacity in making balanced resource plans.

<sup>2</sup> Carrying a known unbalanced position past T-80 without capability to achieve balance puts the BANC/EIM Entity BA and its EIM Participants at greater risk of failing the EIM Balancing Test (and at extreme imposes a Reliability issue on the BANC/EIM Entity BA). An EIM Participant which fails to obtain EIM balancing capacity prior to T-80 repeatedly will be brought to the attention of the EIM Committee for further action.

2. Tells the EIM Operator that they are unable to respond, thus accepting their unbalanced position will become binding. Time permitting, the EIM Operator will begin the process with the next most unbalanced EIM Participant.
  - b. Go to a. if BANC/EIM Entity BA remains more than 1% unbalanced.

### **Binding Unbalanced Position Settlement Implications**

The process outlined above recognizes that BANC/EIM Entity BA may be unbalanced greater than 1% in some circumstances. In these cases, to receive an Over- or Under-Scheduling charge, the BANC/EIM Entity BA must also end the hour with its total Load Base Schedule more than 5% different from the total BANC/EIM Entity BA Metered Load. When BANC Load Imbalance is greater than 5% of total BANC Metered Load, then all EIM Participants on the 'harm' side of the Imbalance MWs will receive a portion of the BANC charge in proportion to their Imbalance MWs. [Participants on the "helping" side of Imbalance receive no charge or credit.]

BANC weighed an option of utilizing a BANC balancing Provider of Last Resort (POLR). This POLR Participant could stand ready to provide up to some limit of BA balancing MW capacity in all hours. However, the cost of these POLR MWs appeared to exceed the expected penalty charges EIM Participants may receive. A POLR would need to be compensated for 24X7 Balancing capacity. This capacity charge must be paid by all EIM Participants, whether or not the capacity is required. Also, EIM Participants would need to determine in advance the maximum Balancing capacity MWs. The POLR would not provide more than that MW capacity to support balancing in any hour. Therefore, POLR would not be an absolute guarantee against the Over- / Under-Scheduling charge in all cases.

BANC will track EIM RS Balancing Test failures, and which EIM Participant(s) caused each failure. Any EIM Participant creating a large number of failures in a given month may be required to arrange balancing capacity with another EIM Participant to lower the risk of failures.

### **EIM Balancing Product:**

It is understood that certain EIM Participants are planning to develop an EIM Balancing Product which will allow any two EIM Participants to exchange their unbalanced positions; is simpler to implement than an energy trade in the short time frames; and one that recognizes that Energy may not be required to resolve the unbalanced position.

The product should have certain characteristics:

- Should have an 'up to' capacity limit.
- Available in all periodicities:
  - Single hour –
  - Multiple hours, week, month, etc.
- Require minimal actions by either party to enact each hour.
- Should leverage the balancing transparency that BANC BAA is attempting to enable.
- Should have a known price per capacity MW at the time the deal is struck.
- Does not require BANC Settlement Allocation – must be settled as a bilateral trade between the two parties.

Here is an example of how a product which meets these requirements could work:

1. Party A has no generator Base Schedules available for adjusting to balance in the target hour. Party B has excess capacity for balancing.
2. Party A agrees to pay party B \$XX.XX per MW for up to +/- 10 MWs of balancing capacity in the target hour.
3. Party B monitors the BANC BAA Balance view<sup>3</sup> for Party A's unbalanced position. Party B adjusts its Gen Base Schedules to accommodate its imbalance, plus Party A's imbalance.
  - a. Party B will over/under balance by up to 10 MWs to offset Party A's imbalance.
  - b. Party B continues to maintain Party A's imbalance until the T-55 deadline.
4. Party A monitors the BANC BAA Balance view to ensure Party B is responding to its imbalance position.

The example demonstrates how a single hour deal could be enacted. The same approach could be struck for multiple hours or longer (a week, a month, etc.).

## Part 2 - BANC Flex Ramp Test Approach:

Each BANC Participant will make all reasonable efforts to supply adequate Flex Ramp capacity in every EIM Market hour. After the fact, BANC will determine each BANC Participant's Flex Ramp requirement, and Flex Ramp capacity. Any participant with a Flex Ramp requirement greater than its Flex Ramp capacity will be deemed to have purchased the shortfall capacity from a BANC Participant with excess Flex Ramp capacity. However, in the first -months of BANC EIM Phase 2 operations, commencing on March 25, 2021, no EIM Participant will be assigned BANC-imposed Flex Ramp failure costs consistent with Attachment A to this RSTA, which sets forth the "BANC EIM Flex Ramp Grace Period" (Grace Period), agreed upon by the EIM Participants and approved by the Commission.

### **BANC Participant Flex Ramp Capacity:**

BANC will take advantage of an CAISO CMRI System report to determine each EIM Participant's Flex Up/Down Capacity MWs in each hour. The after the fact report presents each EIM Generator's Upward and Downward capacity for each 15-min interval of a given hour. The report can be found on the following path (CMRI System access required):

- CAISO Market Portal >> CMRI >> Real-Time [Tab] >> Resource Ramp Capacity [Report]

For each hour, each BANC EIM Participant's Flex Up/Down capacity will be determined from this report.

- The report presents Up and Down ramp capacities separately. BANC will calculate each EIM Participant's Flex Up and Down Capacities separately – using the separately reported up/down ramp capacity values.
- BANC will use the T-40 (binding) report output for each hour.
- BANC will use the 4<sup>th</sup> 15-min interval's values. The report presents values for each 15-min interval of the target hour. BANC RS Work Group agreed that the 4<sup>th</sup> interval would be an appropriate proxy for the hourly ramp capacity since it would be the capacity provided over the greatest period of time for the hour.

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<sup>3</sup> OATI supplied view which has been delivered and in testing. This view shows each BANC Member's EIM balance position for the target hour starting at T-80 minutes.

- BANC will sum the 4<sup>th</sup> interval ramp capacities across each of the EIM Participant’s generators to determine each Participant’s Flex Up/Down Capacity for the hour.

Therefore, the BANC EIM Flex Up/Down Capacity Calculations are:

$$BEP\_FLX\_DOWN\_CAP_{HOURL, BEP} = \sum_{BEP's\ Gens} RAMP\ UP\ CAPACITY_{Interval\ 4}$$

$$BEP\_FLX\_UP\_CAP_{HOURL, BEP} = \sum_{BEP's\ Gens} RAMP\ DOWN\ CAPACITY_{Interval\ 4}$$

Where:

*RAMP\_UP\_CAPACITY<sub>Interval 4</sub> = An EIM PR Generator’s Ramp Up Capacity from the ISO CMRI “Resource Ramp Capacity” Report.*

*RAMP\_DOWN\_CAPACITY<sub>Interval 4</sub> = An EIM PR Generator’s Ramp DOWN Capacity from the ISO CMRI “Resource Ramp Capacity” Report.*

*NOTE: “BEP” = BANC EIM Participant; and “HOURL” is the target hour; “Interval 4” refers to the 4<sup>th</sup> 15-min interval.*

### **EIM Participant Flex Ramp Requirement**

After the CAISO’s T-40 minutes RS Flex Ramp Up/Down Test is executed, the CAISO publishes the binding BANC Flex Up/Down Requirement MWs in the CMRI Report: Flexible Ramp Requirements Inputs. The BANC seeks to use those BANC Flex Ramp Up/Down Requirement values as inputs for determining each BANC EIM Participant’s Flex Ramp Up/Down Requirement MWs in a look-back report process.

In an after the fact calculation, BANC will create a ratio for each EIM Participant of its EIM Load Forecast over the sum of all EIM Participant’s Load Forecasts. Thus, each EIM Participant will have a ratio which can be applied to the CAISO’s Flex Ramp Up/Down Requirement for the BANC/EIM Entity BAA to determine each Participant’s Requirement.

To calculate each EIM Participant’s Flex Up/Down Requirement MW:

1. Calculate each EIM Participant’s Hourly EIM Flex Ramp requirement load forecast ratio as:

$$BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} = BEP\_LOAD\_FORECAST_{HOURL, BEP} / BANC\_LOAD\_FORECAST_{HOURL}$$

WHERE:

*BEP\_LOAD\_FORECAST<sub>HOURL, BEP</sub> = The BEP’s ISO EIM Load Forecast which is in effect at T-40.*

*BANC\_LOAD\_FORECAST<sub>HOURL</sub> = SUM [ BEP\_LOAD\_FORECAST<sub>HOURL, BEP</sub> ]*

*NOTE: “BEP” = BANC EIM PARTICIPANT; and “HOURL” is the target hour.*

2. Use each EIM Participant’s Hourly EIM Flex Ramp requirement load forecast ratio to allocate the CAISO’s total BANC Flex Up and Flex Down Requirement MWs for each hour.

$$BEP\_FLX\_UP\_REQ_{HOURL, BEP} = [ BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} * BANC\_FLX\_UP\_REQ_{HOURL} ]$$

$$BEP\_FLX\_DOWN\_REQ_{HOURL, BEP} = BEP\_FLX\_REQ\_RATIO_{HOURL, BEP} * BANC\_FLX\_DOWN\_REQ_{HOURL}$$

WHERE:

*BANC\_FLX\_UP\_REQ<sub>HOURL</sub> = The ISO’s BANC EIM Flex Ramp Up Requirement for hour at T-40 test as reported in the ISO CMRI Report: Flexible Ramp Requirements Inputs.*

*BANC\_FLX\_DOWN\_REQ<sub>HOURL</sub> = The ISO’s BANC EIM Flex Ramp Down Requirement for hour at T-40 test as reported in the ISO CMRI Report: Flexible Ramp Requirements Inputs.*

**After the fact EIM Participant Flex Ramp Supplier(s)**

In each hour, any EIM Participant with excess Flex Ramp capacity will be deemed a BANC Flex Ramp “supplier” (Supplier) for the hour. After the fact, when there is an EIM Participant shown to be deficient Flex Ramp capacity, then all BANC Flex Ramp suppliers will be deemed to have sold a portion of their excess to the deficient EIM Participant.

Each Supplier’s excess Flex Ramp capacity will be divided by the total of all Suppliers’ excess Flex Ramp capacity to create a ratio for each Supplier.

Each Supplier will be deemed to have supplied their ratio of Flex Ramp Capacity MWs to the EIM Participants which were short of Flex Ramp capacity.

**BANC Flex Ramp Settlement Price**

The price at which a Supplier’s excess Flex Ramp Capacity is deemed to be sold to EIM Participants which were short will be set by the following CAISO published price indexes:

- Flex Up Capacity Price = CAISO Day Ahead Hourly Reg Up NP26
- Flex Down Capacity Price = CAISO Day Ahead Hourly Reg Down NP26

\*\*Note both prices are published on the CAISO’s public OASIS website.

The BANC Participants will apply a price floor and ceiling to the published ISO prices in order to remove some extreme results:

- Price Floor: The price used for BANC Flex Ramp settlement will not fall below \$1.00. If the published price for a test interval is less than \$1.00, BANC Participants will substitute a fixed \$1.00 price.
- Price Ceiling: The price used for BANC Flex Ramp settlement will not be greater than \$250.00. If the published price for a test interval is greater than \$250.00, BANC Participants will substitute a fixed \$250.00 price.

**BANC Flex Ramp Test – Exceptional Circumstances:**

Several specific circumstance may arise in the CAISO’s Flex Ramp data or market execution which require special treatment by the BANC EIM Entity when calculating each BANC EIM Participant’s Flex Ramp results:

- EIM Market Failure or other CAISO driven data issues: In rare instances, the EIM Market may fail to find a feasible solution, or other CAISO data issues may result in the CAISO’s Flex Ramp, Gen Capacity, or Load Forecast data to be unavailable or unrepresentative of the interval’s actual results. In these cases, BANC EIM Entity will deem all BANC Participants to have ‘passed’ the BANC Flex Ramp Test; and all EIM Participants will have zero MW excess Flex Ramp Capacity.
- BANC Participant excess Flex Capacity is less than shortfall flex capacity: In rare cases, the total excess Flex Capacity MWs held by Suppliers may be less than the total shortfall Flex Capacity MWs. In these cases, the deemed sale of excess capacity will be capped at the total excess Flex Capacity. [No EIM Participant “Supplier” will be deemed to have supplied more Flex Capacity than the excess they have for that interval.]

**BANC Will Not Support Settlement of Pre-Purchase of BANC Flex Ramp Capacity**

BANC has decided it will not formally support the Settlement of pre-purchased Flex Ramp Capacity. This does not preclude the EIM Participants from developing a bilaterally settled BANC Flex Ramp capacity product. BANC recognizes that the complexity and cost of tracking and settling pre-purchased BANC Flex Ramp capacity will be greater than the benefit of providing this service.

APPROVAL DRAFT

## Attachment A

### BANC EIM Flex Ramp Grace Period

This document provides an agreed-upon eight-month “Grace Period” from the imposition of its own internal Flex Ramp costs on EIM Participants by the Balancing Authority of Northern California (BANC). This document serves as an attachment to the BANC Resource Sufficiency Test Approach or “RSTA” and is intended to be entirely consistent with that document. Any inconsistencies between this Attachment A and the RSTA shall be construed in favor of the RSTA.

#### Grace Period

No BANC-imposed Flex Ramp failure costs will be distributed directly to an Energy Imbalance Market (EIM) Participant during first eight (8) months (i.e., March 25, 2021 to November 30, 2021), which will be the BANC EIM Phase 2 operations Grace Period, in accordance with the following:

1. Unless otherwise defined in this document, any terms of art used herein shall have the same meanings as used in the BANC EIM Business Practices (BP) and associated attachments, BANC EIM Participation Agreement, and the California Independent System Operator (CAISO)/Market Operator Tariff.
2. EIM Participants will make all reasonable efforts to provide maximum Flex Ramp capacity megawatts (MWs) for each hour.
3. EIM Participants will participate in after the fact analysis sessions; and support reasonable lessons learned process enhancements.
4. EIM Charges related to Flex Ramp assessed by the CAISO to the EIM Entity will be allocated to EIM Participants as defined in Attachment A to the BP (BANC EIM Settlement Allocation Manual).
5. The EIM Entity will monitor Flex Ramp outcomes and Resource Sufficiency (RS) issues daily via the CAISO-supported daily review sessions, and as-needed additional conference calls. Information will be disseminated to EIM Participants and/or EIM Committee in accordance with the following:

- a. Reports to EIM Participants.

Report format will be defined prior to market start which will support this analysis and review.

- b. Monitor for individual impacts.

Any EIM Participant may raise concerns to the EIM Committee regarding an issue that they believe has material impact on their utility

- c. Monitor for operational/reliability issues.

Bring impact issues or operational/reliability issues to the attention of the EIM Committee.

- i. A moving seven-day Flex Up Ramp Test or Flex Down Ramp Test pass rate of less than ninety-nine (99) percent shall trigger immediate notification of the EIM Committee.
- ii. A material impact that is brought to the attention of the EIM Committee will be evaluated to determine if there is a need to modify the Grace Period procedure. Any decision to modify the procedure will require a majority vote of the EIM Committee, with a requirement that the majority vote must include at least one “Flex Rich” entity and at least one “Flex Poor” entity.<sup>1</sup> Any EIM Participant may appeal a decision to the Commission by requesting that the General Manager bring the issue forward to the Commission for discussion and possible action.

6. Consistent with the RSTA, the EIM Committee shall:

- a. Monitor Flex Ramp results on a regular basis (at a minimum, formally at each monthly committee meeting):
  - i. Summary reports will be defined prior to market start, which EIM Committee members can receive via email on regular basis.
  - ii. The EIM Committee will be prepared to address RS issues coming from daily analysis/review.
- b. Meet, as needed, and develop the methodology to allocate Flex Ramp failure costs before such costs are distributed to the EIM Participants and prior to the end of the Grace Period. This allocation methodology will be approved by the Commission.

7. The Grace Period can be *terminated* by a recommendation of the EIM Committee to the BANC Commission, which will make the final decision on termination, when extraordinary impacts or operational/reliability issues are persistent; however, the EIM Committee must approve an alternative proposal prior to termination of the existing Grace Period procedure.

- a. Any recommendation to the Commission to terminate the Grace Period and to recommend an alternative will require a *majority vote* of the EIM Committee, with a requirement that the majority vote must include at least one Flex Rich entity and at least one Flex Poor entity.

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<sup>1</sup> For purposes of this document, “Flex Rich” entities are defined as the Modesto Irrigation District and the Sacramento Municipal Utility District; “Flex Poor” entities are defined as the Cities of Redding and Roseville.

EIM Participants will continue to support on-going development of Flex Ramp capacity sources, strategies, products, or cost assessments during the six (6)-month Grace Period in accordance with this document and the RSTA.

APPROVAL DRAFT

## Balancing Authority of Northern California

# Agenda Item 5Aib

1. **Utilicast EIM Post Go-Live Support and Analysis Proposal Letter.**
2. **Resolution 21-09-15 *Authorization of Amendment to Extend Utilicast Contract for Services Related to Phase 2 Energy Imbalance Market Post Go-Live Support.***

# **Braun Blaising Smith Wynne, P.C.**

Attorneys at Law

09/15/21

**To: BANC Commission**

**From: BANC Counsel**

**RE: Authorization of Amendment to Utilicast Contract for an Additional Extension of Services Related to Phase 2 of Energy Imbalance Market Post Go-Live Support**

In January of 2019, the Balancing Authority of Northern California (BANC) Commission authorized the General Manager to enter into a contract with Utilicast. Utilicast was subsequently engaged to provide consulting services related to participation in the Energy Imbalance Market (EIM) and the proposed Enhanced Day Ahead Market (EDAM). The contract was broken into four (4) discreet tasks, and only authorization for tasks 1, 2 and 4 was requested and approved by Commission Resolution 19-01-14:

- Task #1: BANC/SMUD EIM Phase 2 Post Go-Live Support and Analysis
- Task #2: BANC EIM Phase 2 System and Process Gap Analysis and Implementation Plan
- Task #3: BANC EIM Phase 2 Project Implementation and Project Management support
- Task #4: CAISO Extended Day Ahead Market (EDAM) Support for BANC/SMUD

Task 3 was not approved, as it related to Phase 2 implementation. Subsequent to the Commission action in January of 2019, the Commission approved Task 3 by Commission Resolution 19-08-11 on August 21, 2019.

In December of 2020, the Commission approved Resolution 20-12-09, which authorized the General Manager to enter into an amended contract with Utilicast for an extension of services to provide ongoing support to BANC between May 1, 2021 and September 30, 2021 in an amount not to exceed \$129,000. The amended contract included the following tasks:

- Task #5: BANC EIM Phase 2 Post Go-Live Support and Analysis
- Task #6: As-Needed Utilicast Subject Matter Expert Allowance

In discussions with Utilicast and the EIM Committee, it has become clear that BANC would like to extend access to ongoing support services from Utilicast for an additional period to support member EIM engagement. Thus, we are proposing an amendment to BANC's contract

with Utilicast which would extend support between October 1, 2021 and September 30, 2022, providing up to approximately 200 additional hours of support for an amount not to exceed \$50,000 (includes \$7,000 in contingency.) Support will be provided at the request of the BANC General Manager on an as-needed basis. These costs have been included in the BANC 2021/2022 Budgets under PA-5: EIM Participation. The details and cost breakdown for this proposal can be found in “Attachment A” to this memorandum (BANC EIM Phase II Post Go-Live Support and Analysis).

As noted above, this proposed extension has been discussed with the EIM Committee, which fully supports the extension. Thus, we respectfully request Commission approval of this amendment in accordance with the attached resolution.

August 18, 2021

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 Energy Imbalance Market. 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 and costs 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 EIM Phase II Post Go-Live Support and Analysis**

- This task will be completed in the period between October 1, 2021 and approximately September 30, 2022.
- This task is budgeted for 200 hours.
- On an as-needed basis, the BANC General Manager may request Utilicast support for:
  - General or specific support and analysis for the on-going EIM Operations of the BANC EIM Entity, and its BANC EIM Participants.
  - Subject matter expertise, and expert analysis of BANC EIM Entity's, and BANC EIM Participants' EIM Market participation and results.
  - Support for resolution of issues as assigned by the BANC General Manager.
  - Consultant assistance to the BANC Leadership with EIM results and market participation analysis.
- During this ongoing support phase, Utilicast resources will generally not, unless specifically requested:
  - Attend standing BANC, ISO, or Vendor meetings or directly interact with ISO or Vendor staff.
  - Self-initiate any support activities without approval from the BANC General Manager.

**Schedule of Services:** The BANC and Utilicast have allocated 200 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 \$
<b>BANC EIM Ongoing, As Needed Support and Analysis</b>	10/1/2021	9/30/2022	200	\$215/hr.	\$ 43,000

**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,



David Luedtke

*President*  
*Utilicast LLC*

**Balancing Authority of Northern California  
Resolution 20-09-15**

**AUTHORIZATION OF AMENDMENT TO EXTEND UTILICAST CONTRACT FOR SERVICES  
RELATED TO PHASE 2 OF ENERGY IMBALANCE MARKET POST GO-LIVE SUPPORT**

WHEREAS, the Balancing Authority of Northern California (“BANC”) has 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”) to implement the California Independent System Operator (“CAISO”) Energy Imbalance Market (“EIM”) for their systems with BANC as the EIM Entity, referred to as “BANC EIM Phase 2”; and

WHEREAS, the Commission previously approved an extension from May 1, 2021 to September 30, 2021 to ensure ongoing support to BANC and EIM Participants during a critical operational phase of Phase 2; and

WHEREAS, in discussion with EIM Participants through the BANC EIM Committee, it is recognized that ongoing support services from Utilicast may continue to be required on an as-needed basis for Post Go-Live support for a period longer than initially anticipated; and

WHEREAS, the contract extension is accommodated in the current 2021 budget and has been included in the draft proposed budgets discussed, but not yet acted upon, by the Commission for 2022.

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 for an extension of services between October 1, 2021 and September 30, 2022, in an amount not to exceed \$50,000.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22<sup>nd</sup> day of September 2021, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Dan Beans				
City of Roseville	Michelle Bertolino				
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 5B**

- 1. Updated Draft 2022 BANC Budget.**

# BANC 2022 Budget

## September 2021 - DRAFT

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### 1. Base Budget

- a. General Manager Expenses = **\$339,000**
  - i. Scope: General Manager retainer (@\$27,000/mo.) and expenses (@\$1,250/mo.)
  - ii. Assumptions: No increase in retainer from 2020/2021 and maintain reduced travel expenses
- b. Legal Services (BBMS) = **\$540,000**
  - i. Assumptions: No increase in base legal services from 2021, with the notation that additional legal services may be required based on the level of activity in Market Engagement
- c. NWPP 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 = **\$100,000**
  - i. Scope: Potential consultant support for evaluating IRP recommendations and coordination with members, and potential consultant support for SB100 report engagement.
- e. Asset Valuation = **\$1,025,708**
  - 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 = **\$9,400**
  - i. Annual Audit Fees = \$8,500
  - ii. Bank Charges = \$900

g. Sub-total = **\$2,119,308**

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

Total = **\$2,219,308**

Member Breakdown Comparison of 2021 vs. 2022 Base Budgets (based upon 2020 Retail Sales):

MEMBER ALLOCATION	2021	2022
SMUD (69.2%)	\$ 1,534,704.91	\$ 1,518,461.14
MID (16.9%)	\$ 354,667.90	\$ 370,838.05
ROSEVILLE (7.7%)	\$ 166,387.41	\$ 168,961.72
REDDING (4.9%)	\$ 105,086.78	\$ 107,521.09
SHASTA LAKE (1.3%)	\$ 28,461.00	\$ 28,526.00
Subtotal	\$ 2,189,308.00	\$ 2,194,308.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
<b>TOTAL</b>	<b>\$ 2,214,308.00</b>	<b>\$ 2,219,308.00</b>

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 = \$285,000
  - 1. Main PC evaluation labor = \$250,000
  - 2. \$35,000 for labor to perform an overview assessment of full BANC footprint
  - 3. No planned labor rate adjustment for 2022
- 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%)	\$ 149,700.00
MID (30%)	\$ 89,820.00
REDDING (9.5%)	\$ 28,443.00
ROSEVILLE (10.5%)	\$ 31,437.00
<b>TOTAL</b>	<b>\$ 299,400.00</b>

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. RC West 2022 charge-out rates = \$0.0267/MWH
  - 5. 2020 NEL for remaining BANC footprint:
    - a. Roseville = 1,193,630 MWH

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

MEMBER	2020 NEL - MWH	2022 ASSESSMENT
ROSEVILLE	1,193,630	\$ 31,869.92
<b>TOTAL</b>	<b>1,193,630</b>	<b>\$ 31,869.92</b>

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. In light of the issues coming out of the Summer 2020 Heat Wave Incidents and increased activity in the West regarding resource adequacy and possible West-wide RTO, the discussions on day-ahead market expansion have become more complicated. The EDAM effort was placed on hold for the Summer of 2021. Though there is still a level of interest in EDAM, there are also many of the EIM Entities that are discussing alternative day-ahead market options separate from the CAISO market. In addition, several states have either passed or are considering passing legislation mandating utility consideration of joining a West-wide RTO. Thus, it is difficult to project a schedule for a transition to a day-ahead market. However, it is assumed that it is in BANC’s best interest to “stay at the table” in the various discussions.
    - 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 3-year rolling average NEL as follows:
      1. SMUD – 64.5%
      2. MID – 14.9%
      3. WAPA-SNR – 8.1%
      4. Roseville – 6.9%
      5. Redding – 5.6%
  - b. Estimated costs for monitoring day-ahead market development, including EDAM continued engagement, under PA-4 are initial estimates based upon discussions among the EIM entities, CAISO, and BANC staff, including BBSW support and consultant support as noted.

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING
Legal Support	\$ 200,000.00	\$ 129,000.00	\$ 29,800.00	\$ 16,200.00	\$ 13,800.00	\$ 11,200.00
Consultant Support						
~ Cost Eval. (Utilicast)	\$ 25,000.00	\$ 16,125.00	\$ 3,725.00	\$ 2,025.00	\$ 1,725.00	\$ 1,400.00
~ Update Ben. Anal.(Brattle)	\$ 20,000.00	\$ 12,900.00	\$ 2,980.00	\$ 1,620.00	\$ 1,380.00	\$ 1,120.00
~ Market Dev. Spt. (CES)	\$ 24,000.00	\$ 15,480.00	\$ 3,576.00	\$ 1,944.00	\$ 1,656.00	\$ 1,344.00
~ Market Eval. Spt. (TBD)	\$ 50,000.00	\$ 32,250.00	\$ 7,450.00	\$ 4,050.00	\$ 3,450.00	\$ 2,800.00
~ Total	\$ 119,000.00	\$ 76,755.00	\$ 17,731.00	\$ 9,639.00	\$ 8,211.00	\$ 6,664.00
Total Estimate	\$ 319,000.00	\$ 205,755.00	\$ 47,531.00	\$ 25,839.00	\$ 22,011.00	\$ 17,864.00
Contingency (~15%)	\$ 45,000.00	\$ 28,935.00	\$ 6,570.00	\$ 3,870.00	\$ 3,105.00	\$ 2,520.00
<b>TOTAL for 2022</b>	<b>\$ 364,000.00</b>	<b>\$ 234,690.00</b>	<b>\$ 54,101.00</b>	<b>\$ 29,709.00</b>	<b>\$ 25,116.00</b>	<b>\$ 20,384.00</b>

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6. Participation Agreement #5 (PA-5) – EIM Participation

a. 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 3-year rolling average NEL for all five participants as follows:
  - 1. SMUD – 64.5%
  - 2. MID – 14.9%
  - 3. WAPA-SNR – 8.1%
  - 4. Roseville – 6.9%
  - 5. Redding – 5.6%

b. Cost estimates based on EIM Services Agreement, and latest estimates, including software charges per contracts. Includes 3.25% adjustment for SMUD EIM Operator labor and 3% adjustment for software contracts.

c. Allocation of TPUd load settlement charges assigned to SMUD/MID/Redding/Roseville per original agreement. Load based settlement charges assumed at \$50,000 for EIM operation in 2022.

		Participant Cost Allocations					
IMPLEMENTATION CATEGORY	ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	TOTAL
Personnel - EIM Desk (5)	\$1,746,958.00						
Personnel - Settlements (1.5)	\$ 629,396.00						
Personnel - Outage Mgmt (0.4)	\$ 135,358.00						
Personnel - Netwk Model (1)	\$ 285,534.00						
Personnel - Meter Data Mgmt (0.5)	\$ 42,267.00						
Personnel - SME/Oversight (0.4)	\$ 182,486.00						
Personnel - IT Support (0.25)	\$ 59,542.00						
Personnel Total (9.05)	\$3,081,541.00						
EIM Software Support							
- OATI	\$ 92,700.00						
- Power Settlements	\$ 456,187.00		\$ 51,500.00			\$ 51,500.00	\$ 559,187.00
- ITOA	\$ 20,000.00						
- WebEIM	\$ 40,000.00						
EIM Software Support Total	\$ 608,887.00						
EMS EIM Module							
- Amortized Capital	\$ 52,978.00						
- O&M Support	\$ 10,000.00						
EMS EIM Module Total	\$ 62,978.00						
<b>EIM OPERATOR TOTAL</b>	<b>\$3,753,406.00</b>	<b>\$2,420,946.87</b>	<b>\$610,757.49</b>	<b>\$304,025.89</b>	<b>\$258,985.01</b>	<b>\$261,690.74</b>	<b>\$3,856,406.00</b>

IMPLEMENTATION CATEGORY	ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	TOTAL
Miscellaneous Support							
- Legal Support	\$ 30,000.00						
- EIM Stakeholder Support (CES)	\$ 24,000.00						
- Utilicast Support	\$ 40,000.00						
Miscellaneous Support Total	\$ 94,000.00						
CAISO Charges							
- Fees	\$ 250,000.00						
- Uplifts	\$ 500,000.00						
CAISO Charges Total	\$ 750,000.00						
<b>TOTAL EIM Operations for 2022</b>	<b>\$4,597,406.00</b>	<b>\$2,956,132.06</b>	<b>\$722,721.28</b>	<b>\$395,376.92</b>	<b>\$317,221.01</b>	<b>\$308,954.74</b>	<b>\$4,700,406.00</b>
TPUD Load Charges	\$ 50,000.00	\$ 35,200.000	\$ 8,000.000	\$ -	\$ 3,800.000	\$ 3,000.000	
<b>TOTAL EIM FOR 2022</b>	<b>\$4,647,406.00</b>	<b>\$2,991,332.06</b>	<b>\$730,721.28</b>	<b>\$395,376.92</b>	<b>\$321,021.01</b>	<b>\$311,954.74</b>	<b>\$4,750,406.00</b>

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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

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9. 2022 BANC Member Assessments

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: EDAM	PA-5: EIM Part.	2022 TOTAL	2021 TOTAL
SMUD	\$1,518,461.14	\$142,500.00	\$ -	\$247,590.00	\$2,991,332.06	\$4,899,883.20	\$5,271,695.95
MID	\$ 370,838.05	\$ 85,500.00	\$ -	\$ 57,081.00	\$ 730,721.28	\$1,244,140.33	\$1,407,028.48
ROSEVILLE	\$ 168,961.72	\$ 27,075.00	\$ 31,869.92	\$ 26,496.00	\$ 321,021.01	\$ 575,423.65	\$ 657,172.98
REDDING	\$ 107,521.09	\$ 29,925.00	\$ -	\$ 21,504.00	\$ 311,954.74	\$ 470,904.83	\$ 549,834.91
SHASTA LAKE	\$ 28,526.00	\$ -	\$ -	\$ -	\$ -	\$ 28,526.00	\$ 28,461.00
TPUD	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
<b>BANC TOTAL</b>	<b>\$2,219,308.00</b>	<b>\$285,000.00</b>	<b>\$ 31,869.92</b>	<b>\$352,671.00</b>	<b>\$4,355,029.09</b>	<b>\$7,243,878.01</b>	<b>\$7,939,193.32</b>
WASN	\$	\$ -	\$ -	\$ 31,329.00	\$ 395,376.90	\$ 426,705.90	\$ 517,122.65
<b>GRAND TOTAL</b>	<b>\$2,219,308.00</b>	<b>\$285,000.00</b>	<b>\$ 31,869.92</b>	<b>\$384,000.00</b>	<b>\$4,750,405.99</b>	<b>\$7,670,583.91</b>	<b>\$8,456,315.97</b>

**Balancing Authority of Northern California**

**Agenda Item 5C**

- 1. Draft BANC 2021/2022 Strategic Initiatives.**

BANC 2021/2022 Strategic Plan - Routine Initiatives September 2021 Draft

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 in 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 outreach to West governors
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 joint options for resource needs for BA ~ Issue solicitation for projects	Resource Committee	4th Qtr. 2021	
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	

BANC 2021/2022 Strategic Plan - Focused Initiatives September 2022 Draft

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 ~ CAISO Tariff Development	Jim Shetler/BBSW Jim Shetler/BBSW	Mid 2022 Late 2022	
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	
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	
16 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	