

**Balancing Authority of Northern California**

# Regular Meeting of the Commissioners of BANC and Strategic Planning Session

**1:00 P.M.**

**Wednesday, September 28, 2022**

**Teleconference/Hybrid 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 28, 2022 at 1:00 p.m.** This meeting will be conducted pursuant to the provisions of Assembly Bill 361. Some, or all, of the Commissioners may attend the meeting electronically or telephonically.

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

**Phone number:** 1-253-215-8782

**Meeting ID:** 821 4954 1049

**Passcode:** 587164

**Meeting Link:** <https://us06web.zoom.us/j/82149541049?pwd=UkNLRVhNaXJtY0FUZE5sL084Uk9mUT09&from=addon>

### AGENDA

- 1 Call to Order and Verification of Quorum.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
  - A. Resolution 22-09-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.*
  - B. Minutes of the Regular Commission Meeting held on July 27, 2022.
  - C. BANC Operator Reports (July and August).
  - D. Compliance Officer Report (August and September).
  - E. PC Committee Chair Report (August and September).
  - F. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
  - A. Resolution 22-09-02 *Resolution to Validate Emergency Actions.*
- 6 BANC Strategic Planning Session.**
  - B. Introductions and Logistics.
  - C. Overview of September Heat Wave.
  - D. WECC Audit Update.
  - E. BANC's Role Today.
  - F. Market Dynamics in the West.
  - G. Transmission Development.

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  - H. BANC's Role for the Future.
  - I. Future Discussion Items.
    - i. 2023 BANC Budget.
    - ii. BANC General Manager Contract.
    - iii. Delegations of Authority.

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

J. Action items and Next Steps.

K. Closing Comments.

### **6 Adjournment.**

## Balancing Authority of Northern California

# Consent Agenda Items

- A. **Resolution 22-09-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.***
- B. **Minutes of the July 27, 2022 BANC Regular Meeting.**
- C. **BANC Operator Report (July and August).**
- D. **Compliance Officer Report (August and September).**
- E. **PC Committee Chair Report (August and September).**
- F. **General Manager Report and Strategic Initiatives Update.**

**Balancing Authority of Northern California  
Resolution 22-09-01**

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 28<sup>th</sup> day of September, 2022.

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James McFall  
Chair

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Attest by: C. Anthony Braun  
Secretary

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

July 27, 2022

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

Representatives:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	James McFall, Chair
City of Redding	Nathan Aronson, Alternate
City of Roseville	Dan Beans
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Absent

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kevin Smith	General Counsel
Brittany Iles	General Counsel
Kris Kirkegaard	General Counsel Support
Mark Willis	BANC Operator
Sonja Anderson	Western Area Power Administration (WAPA)
Jeanne Haas	WAPA
Arun Sethi	WAPA

1. Call to Order: Mr. Shetler verified that there was a quorum to proceed; attendance is noted above. Chair McFall called the meeting to order at 2:01 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair McFall invited comments from the Commission on the Consent Agenda, and there were none.

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

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

5. Regular Agenda Items.

A. General Manager Updates:

i. EIM Update:

Mr. Shetler provided a brief overview of ongoing operations, benefits, EIM Committee oversight and subcommittee highlights.

ii. EDAM Update.

Mr. Shetler reported that extended educational sessions with the EIM Committee had been completed. Outreach with WAPA and ongoing dialogue with CAISO continue. A gap analysis proposal is under consideration later in the agenda, and agreements with Brattle for a benefits analysis have been executed. Mr. Shetler and Mr. Braun provided brief updates related to other market options, including SPP Markets + and the Western Markets Exploratory Group (WMEG).

iii. SB 100 Update.

Mr. Shetler noted that a draft proposal had been developed among a technical working group of the POU BAAs around an approach for how reliability modeling should be conducted. Interaction with the CEC around this proposal is not expected until fall.

iv. Resource Procurement Update.

Mr. Shetler and Mr. Braun shared brief updates related to Western Power Pool Western Resource Adequacy Program (WRAP.) The BANC Resource Committee is expected to discuss draft RA principles at their August meeting. Work related to the BANC Resources RFP remains on hold while BANC awaits information from the developer. BANC's proposal for participation by SMUD in the Frequency Response program was not accepted, so work on this effort has been suspended. Mr. Willis provided a brief update on BANC's Summer Assessment.

B. Consider and Possibly Approve Resolution 22-07-02 *Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Gap Analysis.*

Mr. Shetler introduced this item, noting that this proposal is for a BANC-level analysis and that the EIM Committee concurred with moving forward with this proposal. There were no comments or questions from the Commission.

**ACTION:** M/S (Lewis/Beans) to **approve Resolution 22-07-02 Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Gap Analysis.** Motion carried by a unanimous roll call vote (Absent: Commissioners Hauser, Takehara).

C. Discussion and Preparation for September Strategic Planning Session.

Mr. Shetler confirmed that the 2022 Strategic Planning Session will take place as an extension of the regularly-scheduled September meeting on Wednesday, September 28, with a start time of 1:00 p.m. He also presented a high-level overview of the proposed agenda and noted that the August Commission meeting may be cancelled if no agenda items arose in the next couple of weeks.

D. Member Updates.

None.

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

The Commission adjourned at 2:27 p.m.

Minutes approved on September 28, 2022.

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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 July 2022

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- NWPP Reserve Energy Activations
  - 0 contingency requiring activation of NWPP
  - 0 MW average generation lost
  - 0 MW maximum generation lost
  - Generating unit(s) and date(s) affected: None
  - All recoveries within 0 minutes
- USF
  - 15 of 31 days with instances of USF mitigation procedure utilized
  - 9 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 3 Minutes
  - Number of BAAL exceedance >10 minutes: None
  - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
  - 2022 Frequency Response Obligation (FRO): -19.0 MW/0.1Hz
  - Q1 Frequency Response Measure (FRM): -52.1 MW/0.1Hz
  - Q1 Number of Under-Performed Events: 0 out of 5

## Monthly Notes:

- No additional notes or impacts

A JOINT POWERS AUTHORITY AMONG

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



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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

**TO:** BANC Commission

**RE:** BANC Operator Report for August 2022

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- NWPP Reserve Energy Activations
  - 0 contingency requiring activation of NWPP
  - 0 MW average generation lost
  - 0 MW maximum generation lost
  - Generating unit(s) and date(s) affected: None
  - All recoveries within 0 minutes
- USF
  - 18 of 31 days with instances of USF mitigation procedure utilized
  - 6 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 8 Minutes  
*Due to slow generator response to a 100 MW EIM ramp*
  - Number of BAAL exceedance >10 minutes: None
  - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
  - 2022 Frequency Response Obligation (FRO): -19.0 MW/0.1Hz
  - Q2 Frequency Response Measure (FRM): -28.5 MW/0.1Hz
  - Q2 Number of Under-Performed Events: 2 out of 7
  - Q1~Q2 Frequency Response Measure (FRM): -44.5 MW/0.1Hz
  - Q1~Q2 Number of Under-Performed Events: 2 out of 12

## Monthly Notes:

- No additional notes or impacts

A JOINT POWERS AUTHORITY AMONG

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

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City of Shasta Lake, and Sacramento Municipal Utility District

# Compliance Officer Report

## BANC Commission Meeting

### August 2022

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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.
- Activities in support of the 2022 BANC/SMUD WECC Audit continue:
  - The CIP Level 2 RFI was submitted by the August 8<sup>th</sup> due date.
  - BANC/SMUD Subject Matter Experts (SMEs) completed audit interview training, which was conducted by Archer Energy Solutions.
  - BANC/SMUD are actively responding to early Requests for Information (RFIs), which allows WECC to send RFIs in advance of the on-site weeks. A few early audit interview sessions and onsite inspections of 3 substations were conducted ahead of the formal audit weeks.
  - The audit, which will be conducted remotely by 27 WECC regulators along with NERC and FERC observers, will take place the last two weeks of August:
    - The WECC Audit Opening presentation is scheduled for August 22<sup>nd</sup> from 10-11 a.m., and the closing presentation will be held on September 2<sup>nd</sup> from 10-10:30 a.m.

#### **BANC MCRC:**

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, September 26<sup>th</sup> via teleconference.

# Compliance Officer Report

## BANC Commission Meeting

### September 2022

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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.
- The 2022 BANC/SMUD WECC Audit concluded on September 2<sup>nd</sup>. WECC determined that BANC is fully compliant with all audited requirements and noted five positive observations among the BANC/SMUD standards audited. A final audit report is expected in November.

#### **BANC MCRC:**

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, September 26<sup>th</sup> via teleconference.

# PC Committee Chair Report

## BANC Commission Meeting

### August 2022

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

#### **BANC PC Committee Updates and/or activities:**

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

- FAC-014-2 System Operating Limits for the Planning Horizon– The 2022 BANC PC FAC-014-2 Draft Report was shared with BANC PC Participants on August 5<sup>th</sup> for review and comment. Comments on the report are due by August 19<sup>th</sup>.
- PRC-023-4 Transmission Relay Loadability – Staff did not receive any comments from BANC PC Participants on the draft report and finalized the 2022 BANC PC PRC-023-4 report and distributed it on July 22<sup>nd</sup>.
- PRC-026-1 Relay Performance During Stable Power Swings – Staff shared the notification of the 2022 BANC PC PRC-026-1 assessment on July 29<sup>th</sup>. Comments are due by August 12<sup>th</sup>. This information will be added to the upcoming 2022 BANC PC PRC-026 draft report, and the report will be submitted to BANC PC Participants for review and comment by September 2<sup>nd</sup>.
- TPL-001-4 - Transmission System Planning Performance – Transient stability run has been completed and study results were reviewed. MID is working on a new short circuit study to send to BANC PC Participants. A time extension was granted to MID on the due date for its Short Circuit Study. The WAPA contingency study has been completed. Comments on preliminary study results were sent to BANC PC Participants, and no comments were received. Staff is preparing the draft report for the 2022 BANC annual transmission assessment.
- MOD-033-2 – Dynamic portion of study is complete. Data requests for the steady state data will be sent out in the latter half of the year.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-3 Interconnection Studies	100%	There are no new projects in BANC PC Participant area for 2022 which require FAC-002 assessments. The BANC PC Qualified Changes document has been finalized and distributed as well as posted on the BANC PC member site.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	The finalized version was sent to external stakeholders and BANC PC Participants on 12/28/20.
3	FAC-014-2 Establish and Communicate SOLs	75%	The 2022 BANC PC FAC-014-2 Draft Report was shared with BANC PC Participants on 08/05/22 for review and comment. Comments on the report are due by 08/19/22.
4	IRO-017-1 Outage Coordination	0%	Awaiting completion of TPL assessment by December to send out report.
5	MOD-031-2 Demand and Energy Data	100%	2022 Loads and Resources Parts One, Two, and Supplemental were completed and uploaded to the WECC EFT server.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
7	MOD-033-1 System Model Validation	60%	Dynamic portion of study is complete. Steady state data request will follow later this year.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
8	PRC-006-5 Underfrequency Load Shedding	100%	The data received from BANC PC Participants was compiled and submitted to the WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector on 06/03/22. This data was combined with other WECC member inputs in the UFLSWG by the OFSPR and was submitted to WECC on 07/15/22 as part of the Southern Island Coordinated Plan (SILTP).
9	PRC-010-2 Undervoltage Load Shedding	100%	Study complete. The report was finalized on 12/30/19.
10	PRC-012-2 Remedial Action Schemes	80%	Standard effective 01/01/21. Study Plan finalized 04/10/20. Working on performing studies for each RAS scheme.
11	PRC-023-4 Transmission Relay Loadability	100%	Staff finalized the 2022 BANC PC PRC-023-4 report and distributed it on 07/22/22.
12	PRC-026-1 Relay Performance During Stable Power Swings	75%	Staff shared the notification of the 2022 BANC PC PRC-026-1 assessment on 07/29/22. Comments are due by 08/12/22. This information will be added to the upcoming 2022 BANC PC PRC-026 draft report and the report will be submitted to BANC PC for review and comment by 09/02/22.
13	TPL-001-4 Transmission System Planning Performance	80%	SMUD's transient stability analysis is nearing completion. Short circuit study for MID is being created to send to BANC PC.

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	90%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation.</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements is 07/01/21.</p> <p>Ongoing, NERC has declared a GMD event (Kp&gt;7) for reporting purpose. The GMD event duration was from 11/3 21 3:00pm to 11/4/21 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/22).</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/22).</p>

# PC Committee Chair Report

## BANC Commission Meeting

### September 2022

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

#### **BANC PC Committee Updates and/or activities:**

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

- FAC-014-2 System Operating Limits for the Planning Horizon – Comments received were incorporated into the 2022 BANC PC FAC-014-2 Report. This report was finalized and shared with key stakeholders and BANC PC Participants on August 26<sup>th</sup>.
- PRC-006-5 Under-Frequency Load Shedding - Staff has been participating on regular webinars hosted by WECC to go over study results and changes to the upcoming report. The latest webinar was on September 14<sup>th</sup>, where WECC staff shared the generation imbalance study results and noted there were no concerns for the Southern Island and overall WECC Island that BANC identifies as being a part of BANC's UFLS program.
- PRC-026-1 Relay Performance During Stable Power Swings – Staff shared the draft 2022 BANC PC PRC-026-1 assessment report on August 26<sup>th</sup> with BANC PC Participants for review and comment. Comments were due September 9<sup>th</sup>. The report will be finalized and shared with BANC PC Participants by September 16<sup>th</sup>.
- TPL-001-4 - Transmission System Planning Performance – The draft BANC PC TPL assessment report was sent out for review on September 16<sup>th</sup>. Comments are due back on September 23<sup>rd</sup>.
- MOD-033-2 – Dynamic portion of study is complete. Data requests for the steady state data will be sent out in the latter half of the year.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-3 Interconnection Studies	100%	There are no new projects in BANC PC Participant area for 2022 which require FAC-002 assessments. The BANC PC Qualified Changes document has been finalized, distributed, and posted on the BANC PC member site.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	The finalized version was sent to external stakeholders and BANC PC Participants on 12/28/20.
3	FAC-014-2 Establish and Communicate SOLs	100%	The comments received were incorporated into the 2022 BANC PC FAC-014-2 Report. This report was finalized and shared with key stakeholders and BANC PC Participants on 08/26/22.
4	IRO-017-1 Outage Coordination	0%	Awaiting completion of TPL assessment by December to send out report.
5	MOD-031-2 Demand and Energy Data	100%	2022 Loads and Resources Parts One, Two, and Supplemental were completed and uploaded to the WECC EFT server.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
7	MOD-033-1 System Model Validation	60%	Dynamic portion of study is complete. Steady state data request will follow later this year.
8	PRC-006-5 Underfrequency Load Shedding	100%	Staff has been participating on regular webinars hosted by WECC staff. The latest webinar was on 09/14/22, and WECC staff shared the generation imbalance study results. There were no concerns for the Southern Island and overall WECC Island that BANC identifies as being a part BANC's UFLS program.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
9	PRC-010-2 Undervoltage Load Shedding	100%	Study complete. The report was finalized on 12/30/19.
10	PRC-012-2 Remedial Action Schemes	80%	Standard effective 1/1/21. Study Plan finalized 4/10/20. Working on performing studies for each RAS scheme.
11	PRC-023-4 Transmission Relay Loadability	100%	Staff finalized the 2022 BANC PC PRC-023-4 report and distributed it on 07/22/22.
12	PRC-026-1 Relay Performance During Stable Power Swings	100%	Staff shared the draft 2022 BANC PC PRC-026-1 assessment report on 08/26/22 to BANC PC Participants for review and comment. Comments were due by 09/09/22. The report will be finalized and shared with BANC PC participants by 09/16/22.
13	TPL-001-4 Transmission System Planning Performance	90%	Draft assessment report sent out for review. Comments due 9/23/2022.

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	90%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements is 07/01/21.</p> <p>Ongoing, NERC has declared a GMD event (Kp&gt;7) for reporting purpose. The GMD event duration was from 11/3 2021 3:00pm to 11/4/21 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/22).</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/22).</p>

# GM Report

## BANC Commission Meeting

### September 28, 2022

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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. We have also used this forum to discuss POU positions regarding the EDAM development, other market design issues (e.g.- SPP Markets+), and to discuss potential summer heat wave impacts on EIM and EDAM design.

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

BANC continues to participate in this effort, which is being coordinated by APPA. The group has stepped back and is taking a less formal role with occasional update conference calls. The last call was on March 22, 2022, and the next call is scheduled for September 29, 2022.

#### **Coronavirus Restrictions**

With the recent lifting of restrictions, BANC has transitioned to using a hybrid meeting model, both for our own internal member meetings, as well as outside meetings. We are moving to more in-person meetings as appropriate. In addition, the BANC BA Operator (SMUD) has instituted measures to reduce coronavirus risks, including stay at home for most employees with only essential staff working at the offices. The BANC Operator did start transitioning some senior staff back to the office in late March and is looking to transition more staff this fall.

## 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 2022 report showing gross benefits of \$68.09 million for BANC, with a total of \$259.5 millions of gross benefits for BANC since joining in 2019.

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

### EDAM Participation

The CAISO EDAM stakeholder process was relaunched in late 2021 with an initial working group formation meeting in December and kick-off detailed working group meetings in early January. The CAISO did wrap-up the work group meetings in late March and issued the initial straw proposal on April 28, 2022. The CAISO hosted a stakeholder meeting on the straw proposal from May 25-26, 2022, with stakeholder comments filed June 16, 2022, including BANC's. The CAISO held a series of technical workshops through the end of July and issued a second straw proposal on August 16, 2022. Additional stakeholder meetings were held in August and September, with the next straw proposal due in mid-October. The CAISO proposed schedule is to have a final EDAM design ready for EIM Governing Body/CAISO Board of Governors review by December 2022, detailed implementation in 2023, and initial go live in 2024.

### Other Market Developments

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

1. SPP has announced its "Markets +" effort to support utilities in the West with a range of market options from EIM to full RTO services. SPP held stakeholder information sessions on November 17, 2021, and December 1, 2021, to explain their initial concepts. Their stakeholder work group meetings were initiated in January 2022 seeking input on a final design. BANC staff participate in periodic status update meetings as appropriate. Market design is still being developed but SPP is forecasting a final design by late 2022. They would be looking for participant commitments (interest and financial) in early 2023 with implementation in 2023-2024 and a go live in 2025. Staff will continue to monitor this market option.
2. A group of Western utilities have formed a group called Western Market Exploratory Group (WMEG) with a stated purpose of identifying what a full market in the West should entail. They have hired a consultant to assist in this effort. BANC has executed the necessary agreements to participate in the WMEG as authorized by the Commission at the May meeting. The WMEG has selected a consultant to conduct a cost benefits analysis considering different

future market options. As noted in prior communications, BANC has elected not to fund and formally participate in this study. However, we will support providing data for the study and will be provided the overall results of the study.

## **WAPA:**

### **Market Engagement**

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

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

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

### **San Luis Transmission Project (SLTP)**

The San Luis & Delta-Mendota Water Authority has decided not issue bonds to provide WAPA with funding for this project. An alternative funding proposal from a third party was also being discussed but this too did not come to fruition. As a result, the SLTP will not be moving forward, at least at this time.

## **WECC**

### **WECC Board Meetings**

The last set of Board and committee meetings was held on September 13-14, 2022, in Las Vegas, NV. This also served as the annual members meeting for WECC. The BANC GM did attend the meeting to represent BANC. The next set of Board and committee meetings are scheduled for December 5-6, 2022, in Salt Lake City, UT.

## **WPP**

### **Resource Adequacy Project**

As agreed previously, BANC has informed WPP that it will not be participating in Phase 3 of the Western Resource Adequacy Program (WRAP) due to our lack of ability to have firm, long-term transfer capability at Mid-C, which is the hub for the WRAP interchanges. BANC continues to monitor development of the WRAP and hold discussions with WPP regarding our ability to participate in the future. SPP has indicated that they intend to use the WRAP as the model of a Resource Adequacy program for “Markets +” development. However, an entity does not have to be a WRAP participant to join “Markets+” but does need to have an equivalent Resource Adequacy program. WPP filed the tariff for the WRAP at FERC on August 31, 2022,

with any interventions due by September 30, 2022. BANC has filed a “plain vanilla” intervention in order to be able to monitor the proceedings.

### **RSG and FRSG Participation**

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

### **WPP Transition**

As part of moving to a FERC approved tariff for the WRAP program, the WPP board will be transitioning from its current structure to a fully independent board. A nominating committee has been formed to assist in the selection of the new independent board members. The WPP members who are not in WRAP have been granted a seat on the nominating committee and the BANC General Manager was selected to fill that role. The nominating committee is finalizing its recommendations for the new board slate, with a goal to present the new slate to the existing Board for approval by mid-October. The new Board will not be seated until the WRAP tariff is approved, which is expected in early 2023.

### **CDWR Delta Pumping Load:**

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

### **SB100 Implementation**

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

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

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

## **Strategic Initiatives**

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

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

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	Revisit 3rd Qtr. 2022
3 Medium	OUTREACH	Engage in industry forums (WECC, Peak, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & NWPP Exec. Forum meetings
4 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
5 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BBSW	Ongoing as Necessary	Participating in WEIL group FERC staff update 5/9/22
6 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BBSW	Ongoing	Continue periodic discussions on areas of collaboration
7 Medium	ASSETS	Evaluate establishing BANC criteria for RA resources	Resource Committee	4th Qtr. 2022	Sub-committee meetings in progress
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	

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

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
10 High		EDAM evaluation effort ~ CAISO Stakeholder Process	Jim Shetler/BBSW	Late 2021 - 2022	Initial Straw Proposal Issued
		~ CAISO Tariff Development	Jim Shetler/BBSW	2022 - 2023	2nd Straw Prop. Issued 8/16
11 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, & Tacoma
12 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Participating in WEIL effort on WIRED issues
13 High		Market Regionalization: ~Monitor ongoing discussions at WEIL & other venues	Jim Shetler/BBSW	4th Qtr. 2022	SPP Mkts+ Stkldr Mtgs Mar. 29-30, Jun 1-2, Aug 9-10
14 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BBSW	12/31/22	CEC issued report 3/15/21; Continuing coordination 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	GSCCE notified us that project no longer viable
16 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

## Balancing Authority of Northern California

# Agenda Item 5A

1. Resolution 22-09-02 *Resolution to Validate Emergency Actions.*

**Balancing Authority of Northern California  
Resolution 22-09-02**

**RESOLUTION TO VALIDATE EMERGENCY ACTIONS**

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

WHEREAS, on August 31, 2022, California Governor Gavin Newsom issued a proclamation declaring a state of emergency regarding electricity from September 2 through September 7 due to a forecasted extreme heat event expected to put a significant demand and strain on California’s energy grid; and

WHEREAS, on September 2, 2022, in response to the emergency proclamation, and in anticipation of extreme stressed conditions, specific back-up generation was identified within BANC that could participate in state emergency programs upon receipt of applicable federal waivers; and

WHEREAS, BANC expected stressed system conditions both within BANC and statewide; and

WHEREAS, in consultation with the California Energy Commission, the California Governor’s Office, and the California Independent System Operator (“CAISO”), the General Manager, on behalf of BANC, filed a *Request for Emergency Order Pursuant to Section 202(c) of the Federal Power Act* with the United States Department of Energy (“DOE Waiver Request”) to allow BANC to direct dispatch of identified backup generation within the BANC balancing authority area, upon certain triggering events in either the BANC or CAISO footprint, necessary to meet increased demand during the extreme heat event; and

WHEREAS, while the General Manager kept the Commission informed as events unfolded, the emergency situation created by the extreme heat event and the time needed to prepare the applicable documents did not allow time for the General Manager to seek Commission approval prior to executing and filing the DOE Waiver Request;

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby acknowledge and validate the emergency actions taken by the General Manager as described above.

**Balancing Authority of Northern California  
Resolution 22-09-02**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 28<sup>th</sup> day of September 2022, by the following vote:

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

\_\_\_\_\_  
James McFall  
Chair

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