

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

March 27, 2019

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) was held at 915 L Street, Suite 1480, Sacramento, CA 95814.

Representatives Present:

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

<b>Agency</b>	<b>Liaison</b>
Western Area Power Administration	Sonja Anderson Ray Ward

1. Call to Order: Chair Salyer called the meeting to order at 2:00 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Salyer invited comments from the public and none were given.
4. Consent Agenda: Mr. Hauser moved, Ms. Bertolino seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on January 23, 2019. (B) BANC Operator's Reports for January and February; (C) Compliance Officer's Reports for February and March; (D) PC Committee Chair's Report for February and March; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items:
  - A. Representatives from Duke-American Transmission Company (DATC) provided a brief overview of DATC and the San Luis Transmission Project (SLTP). In late 2018, DATC entered into an MOU with San Luis & Delta-Mendota Water Authority, the Western Area Power Administration (WAPA), and the U.S. Bureau of Reclamation (BOR). WAPA has completed permitting of the SLTP and is currently developing an 80-mile, 230kV line to provide transmission service to certain water customers. The current project is designed to deliver 600MW of bi-directional transfer capability, with BOR reserving 400MW north-to-south and DATC to market the residual capacity. DATC filed with FERC for use of the WAPA Open Access Transmission Tariff (OATT) in March of 2019, with WAPA's FERC filing expected to follow in April. DATC is currently marketing the 'excess' capacity

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(200MW north-to-south and 600MW south-to-north) and will be conducting a public 'Open Season' for available capacity, anticipated to run from approximately mid-April to mid-May. Contract negotiations are expected to follow mid-May through August, followed by DATC project financing in Q4 2019. Land acquisition is expected to begin as early as late 2019 and the in-service date is projected for 2023.

Mr. Salyer asked whether the project would be in the BANC footprint, and it was confirmed that it would be. Ms. Bertolino asked if any issues were anticipated with adjacent landowners, and Ms. Anderson responded that she had not heard of any. A representative from DATC responded that they have held multiple scoping meetings, landowners have been notified, designs completed, and the only party with any significant issues during permitting was the Dept. of Water Resources.

- B. EIM/EDAM/RC Updates - Mr. Shetler gave an update regarding EIM Phases 1 and 2. Parallel Ops is complete for Phase 1, with EMS upgrades expected to go live mid-March. Nothing is currently anticipated to affect the planned 4/3 go-live date. Mr. Salyer asked about the projected estimated savings, and Mr. Shetler clarified that the settlement information is not included in parallel ops. The budget is estimated to come close to what was estimated. For Phase 2, the cost allocation methodology has been approved by the Commission, and the basic understanding of the Phase 2 methodology has been agreed upon between members of the BANC Resources Committee, WAPA-SNR, and CAISO. Targeting the August 21, 2019 Commission Meeting for a Phase 2 decision, with the goal being going live with Phase 2 in April of 2021.

Regarding EDAM, Feasibility Assessment (FA) results are anticipated in late April, with the FA expected to be finalized this summer. The FA is a gross benefits analysis of the market as a whole and is intended to give a sense of whether there are market-wide benefits and sufficient market size to proceed. Entities will have the ability to contract separately for more detailed individual assessments.

Regarding RC Services, Mr. Shetler reported that efforts continue to resolve the transitioning of processes and technology to the new RCs. A Seams Summit was held on March 11<sup>th</sup>, and there are numerous sub-working groups for various other issues. The first on-site NERC/WECC RC certification visit will take place the week of 3/25 at the CAISO (RC West). Shadow Operations for RC West is expected to commence 5/1. BANC is on track to transition to RC West on 7/1, as planned. Mr. Salyer asked whether RC West was an actual separate entity from CAISO, and Mr. Shetler responded that it was not.

- C. Mr. Leigh-Kendall and Mr. Smith provided an overview of the updates to the BANC Internal Compliance Program Charter and associated program-related documents and confirmed that BANC's Member Compliance Review Committee (MCRC) was actively involved in the review process. It was noted that there was an error in the chart in Appendix C/Figure 1, and corrected diagram was distributed to show SMUD as a PC Participant. Mr. Lins moved, Mr. Beans seconded, and the participating Commissioners unanimously approved 19-03-19 *Approval of BANC Internal Compliance Program Charter*.
- D. Mr. Braun provided a Legal & Regulatory update and touched on EIM Governance changes, EDAM, RA reform/central buyer issues at the state level, and AB 56, which establishes a 'CA Alternative Energy and Advance Transportation Financing Authority.'

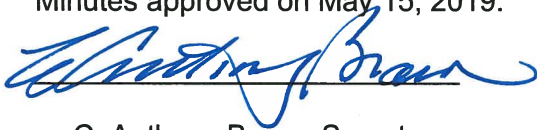
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- E. Mr. Shetler shared that BANC had received a 'clean bill of health' from the auditors and noted that the financials were included in the packet. No questions were raised. Mr. Hauser moved, Mr. Takehara seconded, and the participating Commissioners unanimously accepted the BANC 2018 Audited Financials.
  - F. Mr. Shetler noted that there were no changes to the participation percentages again this year. Mr. Beans moved, Mr. Hauser seconded, and the participating Commissioners unanimously approved 19-03-20 *Accepting and Adopting the BANC Member Participation Percentages for 2019*.
  - G. Mr. Shetler indicated that there may not be any agenda items for an April meeting, but no final decision will be made until closer to the planned meeting date. He also noted that he would be making visits to BANC Members in the near future. The August 21<sup>st</sup> BANC Commission Meeting is currently being targeted as this year's strategic planning session and for a decision regarding EIM Phase 2.
6. Closed Session:
- A. The Commission retired to closed session for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9; one case.

After returning to open session, Mr. Braun reported that no action was taken in closed session.

The meeting was adjourned at 3:42 p.m.

Minutes approved on May 15, 2019.



C. Anthony Braun, Secretary