

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

May 15, 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:

| Member Agency | Commissioner |
|---------------------------------------|---------------------|
| Modesto Irrigation District | Greg Salyer, Chair |
| City of Redding | Nick Zettel |
| City of Roseville | Michelle Bertolino |
| Sacramento Municipal Utility District | Paul Lau |
| City of Shasta Lake | James Takehara |
| Trinity Public Utilities District | Paul Hauser |

| Agency | Liaison |
|-----------------------------------|----------------|
| Western Area Power Administration | Ray Ward |

1. Call to Order: Chair Salyer called the meeting to order at 2:02 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 March 27, 2019. (B) BANC Operator's Reports for March and April; (C) Compliance Officer's Reports for April and May; (D) PC Committee Chair's Report for April and May; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items:
 - A. EIM/EDAM/RC Updates - Mr. Shetler and Mr. Mark Willis from SMUD gave an update regarding EIM Phase 1. On April 3, 2019, BANC/SMUD completed systems cutover and officially became the 8th EIM participant. No critical issues were encountered and all tests were passed successfully. BANC/SMUD was able to move to full EIM control faster than any previous entrant. Daily EIM Market Report calls w/ CAISO are being held, along with weekly/bi-weekly internal calls. The initial review of benefit data for April was in line with expectations. Another update will be provided at the July BANC Commission meeting, following the release of Q2 CAISO EIM Benefits.

Regarding EIM Phase 2, all potential Phase 2 participants have had the opportunity to participate in an initial gap analysis questionnaire and initial action items have been identified. WAPA-SNR and BOR are currently evaluating participation in Phase 2. In light

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of this, several action items are required, including a change to the Utilicast contract, a cost sharing agreement between WAPA-SNR, and a BANC budget amendment. Ms. Bertolino moved, Mr. Zettel seconded, and the participating Commissioners unanimously approved 19-05-07 *Authorization of Amendment to Utilicast Contract for Services Related to Phase 2 of Energy Imbalance market to Include WAPA-SNR, Cost Sharing Agreement with WAPA-SNR, and Related 2019 BANC Budget Amendment*.

Also relative to Phase 2, the Commission previously approved a cost allocation methodology. Mr. Shetler indicated that he would be updating that to reflect changes related to WAPA-SNR's potential participation. In addition, a joint meeting with CAISO was held on April 23rd regarding the Phase 2 methodology, and a draft 'white paper' has been issued for review by the BANC members. A Phase 2 go-live decision is targeted for the August 21, 2019 BANC Commission meeting, with a targeted go-live date of April 2021.

As the EDAM Feasibility Assessment (FA) process continues, BANC/SMUD has expressed interest in contracting with the consultants (Brattle, E3) involved in the FA for assistance with entity-level assessment support. Mr. Shetler requested Commission approval for a formal contract with Brattle within the previously budgeted amount. In addition, a task order with E3 within the GM's delegated authority will likely be executed in the near future.

Mr. Lau moved, Ms. Bertolino seconded, and the participating Commissioners unanimously approved 19-05-08 *Authorization of Contract for Services Related to EDAM Feasibility Assessment*.

Regarding RC Services, Mr. Shetler reported that the RCs have been meeting twice per month to resolve outstanding issues related to the transition. The topic of data sharing in the West is still under discussion, and a proposed agreement (WIDSA) is under consideration. Currently, the primary risks related to the RC transition have not changed significantly since the last update, but a few have lessened, including Peak viability. RC West is currently in 'shadow operations' as of May 1, 2019. BANC and TOPs are required to certify readiness for the transition on July 1st by the end of May. CAISO has already issued its certification letter; WECC and NERC certification of CAISO as an RC is expected prior to July 1.

- B. Mr. Shetler provided a brief update on the upcoming 2019 WECC/NERC BANC Audit. SMUD is taking the lead, but BANC is actively coordinating with them on this effort. An internal operations readiness review and a third party CIP mock audit have already been completed. WECC has issued both an Inherent Risk Assessment and a Compliance Oversight Plan for both BAND and SMUD. While the maturity of our compliance program has been recognized, we currently expect that fewer standards will be reviewed but those that are reviewed will likely be looked at more deeply. Everything appears to be on track, and the audit is scheduled for the first half of September.
- C. Mr. Mark Willis reviewed the 2019 Summer Assessment with the group. Mr. Hauser moved, Mr. Lau seconded, and the participating Commissioners unanimously approved 19-05-06 *Acknowledgement and Acceptance of the 2019 Summer Load & Resources Assessment of the Balancing Authority of Northern California*.
- D. Mr. Shetler indicated that there may not be any agenda items necessitating a June meeting, but no final decision will be made until closer to the planned meeting date. At the July meeting, an update on EIM Phase 1 is currently expected to be an agenda item.

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The August 21st BANC Commission Meeting will serve as this year's strategic planning session, where the focus is expected to be on EIM Phase 2 decision making. The meeting will be held at Scott's on the River.

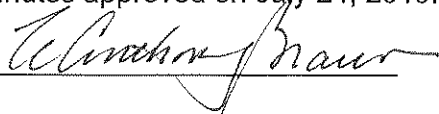
6. Closed Session:

- 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 3:13 p.m.

Minutes approved on July 24, 2019.



C. Anthony Braun, Secretary