

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

February 19, 2020

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) was held at 35 Iron Point Circle, Suite 225, Folsom, CA 95630.

Representatives Present:

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

| <b>Agency</b>                     | <b>Liaison</b>              |
|-----------------------------------|-----------------------------|
| Western Area Power Administration | Sonja Anderson, Jeanne Haas |

1. Call to Order: Chair Beans called the meeting to order at 2:01 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: Mr. Hauser moved, Mr. McFall seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on January 22, 2020; (B) BANC Operator Report for January; (C) Compliance Officer Report for February; (D) PC Committee Chair Report for February; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Shetler updated the Commission on EIM Phase 2 and EDAM. With respect to EIM Phase 2, multiple items are still being worked through. For example, there is ongoing dialogue among participants regarding whether deviation band could be used to meet Resource Sufficiency/flex tests. There appears to be internal agreement regarding how WAPA Transmission will be handled. Regarding BANC Settlements, a group is working through cost codes with CAISO and determining how to allocate internally. Next steps include: determining a dispute resolution process for invoicing; metering; CVP participation in EIM; Resource Sufficiency (RS) & flex tests; WAPA rate and OATT Proceedings; a budget reforecast (settlements staffing, additional SMUD resource time for support). Recently, a workshop was held at SMUD, and work groups are being formed as needed. Budget revisions and potentially other topics will be put in front of the EIM Committee in March and brought forth to Commission for approval.

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For EDAM, two days of public workshops were held at CAISO on February 11-12. While several questions were raised by various stakeholders, the initial reaction indicates that there is generally alignment between the EIM entities and CAISO at a high level. More challenges are expected as the details are worked out, i.e. requirements for RS obligations and how they are imposed, a transmission hurdle rate, etc. Additional dialogue will follow and workshop comments are due 2/26. Following this round of comments, CAISO will determine whether another round of workshops is appropriate or a straw proposal will be developed.

Mr. Braun briefly reviewed the Governance Review Committee (GRC) efforts. Comments are due Friday, and EIM entities have a draft of the comments ready to circulate for review, as does CMUA. A meeting of the GRC is scheduled for March 11 in Phoenix with presentations on open issues.

- B. Mr. Shetler reviewed BANC's involvement in state agency efforts to effectuate the Senate Bill 100 status with the Commission. BANC has been active with the other Balancing Authorities in California. BANC supports and promotes a net zero carbon approach. A workshop is scheduled for Monday, February 24, and a number of Balancing Authorities, including BANC, have been asked to participate on a panel. The presentation has been shared with the Resource Committee (RC) and is currently under review.
- C. Mr. Shetler reviewed the ongoing Sutter Energy Center (SEC) effort. SMUD has brought forward a proposal for BANC to become the contracting agent for SEC for the members in the 2024-2030 timeframe. This could help to address recent CAISO/NWPP Resource Adequacy concerns and assist in meeting EIM RS/Flex test requirements. The proposal has been reviewed by the BANC RC. Some BANC members have indicated a possible interest in capacity/energy in 2024-2030 timeframe. A BANC RC meeting was held in early February to review the proposal, and the result of the RC evaluation was a recommendation that the BANC Commission authorize the General Manager to develop a term sheet with Calpine to see what this arrangement might look like and report out through the RC. Roseville asked whether the resolution implied any commitment, and Mr. Shetler confirmed that no commitment is being made beyond entering negotiations and developing a term sheet. A question was also asked regarding what the next steps would be if not all members interested, and the response given by Mr. Shetler is that nothing had yet been determined. SMUD is not committed to taking on the whole plant; the idea presented is just one possibility for moving forward. The concept would be similar to that of BANC's phased EIM implementation (i.e., the initial project is between SMUD/Calpine; if interest from others, a participation agreement would be created and others would be allowed to join if so desired.)

Mr. Lau moved, Mr. McFall seconded, and a roll call vote was taken. The City of Shasta Lake abstained, and all other Commissioners voted in favor of Resolution 20-02-12 *Authorization to Negotiate Sutter Energy Center Term Sheet*.


- D. Mr. Shetler briefly reviewed the Public Safety Power Shutoff (PSPS) Proposal whereby California IOU fire mitigation plans call for the use of proactive PSPS protocols. CAISO initiated discussions with BANC regarding this proposal. At the Commission's last discussion, PSPS Load Shed examples were requested. Mark Willis reviewed several scenarios with the Commission.
- E. Mr. Shetler initiated a discussion regarding a GM Transition Plan and indicated that he currently plans to remain in his position through 2022. He plans to include a transition

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plan discussion/review as part of this year's BANC strategic planning session (yet to be scheduled.) Any issues related to AB 5 will be addressed as part of the plan. Review and input will be requested from Commissioners prior to the planning session.

The meeting was adjourned at 2:40 p.m.

Minutes approved on March 25, 2020.

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C. Anthony Braun, Secretary