

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

March 25, 2020

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

Representatives Present:

Member Agency	Commissioner
Modesto Irrigation District	James McFall
City of Redding	Dan Beans, Chair
City of Roseville	Michelle Bertolino
Sacramento Municipal Utility District	Arlen Orchard
City of Shasta Lake	James Takehara
Trinity Public Utilities District	Paul Hauser

Agency	Liaison
Western Area Power Administration	Sonja Anderson

1. Call to Order: Mr. Braun took roll call to establish that a quorum was present, and Chair Beans called the meeting to order at 2:03 p.m.

Mr. Braun reviewed the format for the meeting and how it would be conducted given the telephonic format, COVID-19 considerations, and the Governor's relevant Executive Orders.

2. Matters Subsequent to Posting the Agenda: Mr. Shetler also noted that a COVID-19 update was included in the General Manager's report and he would like to brief the Commission on the actions being taken by BANC under the Consent Agenda item.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: With respect to COVID-19 developments, Mr. Shetler informed the Commission that BANC has ceased all face-to-face meetings until further notice. Mr. Mark Willis also briefed the Commission on actions currently being taken by the BANC Operator. All who are able to work from home are doing so, and modifications to schedules and the way Power System Operators are working have already been implemented. Preparation for a shelter-in-place plan are in process.

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 February 19, 2020; (B) BANC Operator Report for February; (C) Compliance Officer Report for March; (D) PC Committee Chair Report for March; and (E) General Manager's Report and Strategic Initiatives Update.

5. Regular Agenda Items – Discussion and Possible Action:

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- A. Mr. Shetler updated the Commission on EIM Phase 2 and EDAM. EIM is nearing the 1st anniversary of operations for Phase I (SMUD.) Per the CAISO study methodology, gross benefits for BANC/SMUD have been reported as \$15.86 million for the first three quarters of BANC EIM operations. Mr. Shetler is in the process of reviewing EIM Phase I expenditures and will have an update for the Commission at the April meeting.

Regarding EIM Phase 2, work groups continue to make progress with respect to the following topics: Deviation Band, WAPA Transmission, BANC Settlements, and RS/Flex Tests. Upcoming issues to be addressed include Metering, WAPA Rate and OATT Proceedings (including the development of BANC Business Practices), and a budget reforecast.

With respect to EDAM updates CAISO held workshops in mid-February with a focus on Transmission, Resource Sufficiency, and Congestion Rents. Stakeholder comments were due in early March, and areas for further discussion include RS requirements, the Transmission hurdle rate, and Congestion Rent allocations. The CAISO is now working on an issue paper.

Mr. Braun briefly reviewed the latest with regard to Governance Review Committee (GRC) efforts. The committee issued a scoping paper in late January with comments received in late February. On March 11, a telephonic GRC meeting with stakeholder presentations was held. The GRC is now in the process of coming up with an initial work product (issue paper).

Mr. Shetler gave an overview of proposed amendments to the EDAM Evaluation and EIM Phase 2 Implementation budget items. For EDAM, an increase in legal support is being proposed as a result of the increased engagement required from BBSW to support this effort. Ms. Bertolino indicated that they support the proposed amendment but wanted to state that Roseville, going forward, will be looking closely at costs with respect to everything they do given COVID-19 developments and expected downturns in revenues. For EIM Phase 2, proposed adjustments in the timing of certain elements (settlements support) and a shift in certain other expenses (reduced Utilicast budget, increased SMUD PM support and certain software upgrades) in addition to a reduction in the contingency from 10 to 5%, result in an overall budget reduction of ~\$170k for this item. Due to the allocation methodology for this budget item and the areas impacted, some members (MID, Redding, Roseville) will see a slight increase while WAPA will see a decrease.

Mr. Orchard moved, Ms. Bertolino seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 20-03-16 *Approval of Revised 2020 Annual Budget for BANC*.

- B. Mr. Shetler gave a brief Senate Bill 100 study status update. A joint agency workshop was held on February 24th, and BANC participated with other CA Balancing Authorities on a Reliability-focused panel. Common themes of BA presentations included: a 'net zero' carbon concept, the need for a transition plan, respecting safety, reliability, and affordability as parts of the equation. Next steps include analysis, with an expectation that more information will be released mid-summer.
- C. Mr. Shetler provided the Commission with a brief overview of the BANC 2019 Audited Financials. BANC once again had a clean audit. Mr. McFall moved to accept the

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financials, Ms. Bertolino seconded, and a roll call vote was taken. The Commissioners unanimously voted in favor of accepting the BANC 2019 Audited Financials.

- D. Mr. Shetler presented the 2020 BANC Member Participation Percentages. Mr. Orchard moved, Ms. Bertolino seconded, and a roll call vote was taken. All Commissioners voted in favor of Resolution 20-03-15 *Accepting and Adopting the BANC Member Participation Percentages for 2020*.
- E. Mr. Shetler discussed plans for the BANC strategic planning session. As the June date did not look feasible from a participation standpoint, and perhaps from a COVID-19 standpoint, the Commission was polled for availability in July or August. August 26th appears to be the preferred date, with an estimated time frame of 10 a.m. – 2 p.m. The Commission will be kept informed as planning proceeds.

- 6. Closed Session: 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. The Commission adjourned from closed session, where no action was taken.

Minutes approved on April 22, 2020.

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C. Anthony Braun, Secretary