

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

January 27, 2021

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

Representatives Present:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	James McFall
City of Redding	Nick Zettel, Alternate
City of Roseville	Michelle Bertolino, Acting Chair
Sacramento Municipal Utility District (SMUD)	Paul Lau Laura Lewis, Alternate
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Paul Hauser

<b>Agency</b>	<b>Liaison(s)</b>
Western Area Power Administration (WAPA)	Sonja Anderson Brian Griess

1. Call to Order: Mr. Shetler reviewed attendance and confirmed that a quorum was present. Acting Chair Bertolino called the meeting to order at 4:01 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Acting Chair Bertolino invited comments from the public and none were given.
4. Consent Agenda: Ms. Lewis 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 December 16, 2020; (B) BANC Operator Report for December; (C) Compliance Officer Report for January; (D) PC Committee Chair Report for January; and (E) General Manager's Report and Strategic Initiatives Update.

Mr. Shetler extended his appreciation to Mr. Mark Willis from SMUD with respect to Mr. Willis's request that the CAISO review COI charges for path operators, which after subsequent review, resulted in a filing at FERC to modify and significantly reduce charges.

5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Shetler provided an EIM update and reported that EIM Entity discussions with CAISO continue regarding heatwave impacts. The CAISO is conducting workshops

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related to Resource Adequacy, the EIM Resource Sufficiency Test, and CAISO Export Priorities. EIM Phase 2 moved into Parallel Operations at midnight on January 27<sup>th</sup>, and the transition went very smoothly. Implementation is on track for the March 25, 2021 go-live date.

One area of ongoing concern relates to the funding level for the CAISO Collateral Account for EIM Phase 2. After further discussions with CAISO, it appears that there may be an option for POU's participating in CAISO markets via a JPA to assign excess Unsecured Credit to the JPA (EIM Tariff Section 12.1.1.1). Next steps include confirming Unsecured Credit levels with BANC participants, initiation of discussions with CAISO on this option, and bringing a recommendation back to the February EIM Committee and the Commission for approval. Ms. Anderson clarified that because WAPA is the Federal government, a separate process for participation may apply to them. Mr. Smith responded and confirmed that this tariff section may not apply to WAPA. Ms. Bertolino confirmed Roseville's support for this tariff option.

Mr. Shetler gave an overview of updates to the Second Amended EIM Participation Agreement, noting that the agreement had been reviewed by both the EIM and Legal Committees. In addition, a concurrence from WAPA on the EIM budget included in the agreement is embedded in the agreement itself. Mr. McFall moved, Mr. Zettel seconded, and the participating Commissioners voted unanimously in favor of Resolution 21-01-20 *Approval of Second Amended and Restated EIM Participation Agreement*.

Mr. Shetler provided an overview of BANC Metering Standards, noting that for EIM Phase 2, the standards that have been developed establish separate standards encompassing each participant's standards for current meters as well as standards for future upgrades. EIM and Operating Committees have reviewed and accepted these standards. Mr. Zettel moved, Mr. McFall seconded, and all participating Commissioners voted unanimously in favor of Resolution 21-01-21 *Approval of BANC EIM Phase 2 Energy Imbalance Market Meter Standards and Specified Delegation to the General Manager*.

Mr. Shetler gave a brief EDAM update, noting that the initiative is essentially on hold, with the stakeholder process delayed by CAISO until mid-2021. The focus between now and then is on Summer 2021 Readiness.

A revised 2021 Summer Assessment plan has been shared with the Resources Committee, and the Operating Committee has concurred with the plan. All BANC participants have responded to the data request that was sent out, and BANC's evaluation is underway. The plan is still to provide an update to the Commission by the end of Q1. The joint agencies' SB100 report has been finalized for submittal to the Legislature, which is expected to occur mid-February. Mr. Zettel asked whether BANC would be looking at what CAISO is doing related to proposed modifications to their planning reserve margin to determine how that applies to BANC. Mr. Shetler responded that BANC would be monitoring any developments on that front and discussing at future Operating and Resources Committees meetings. Mr. Braun weighed in and noted that another proposal that is out there is for CAISO to adopt a minimum requirement. Mr. McFall asked how some of CAISO's proposals related to imports/exports may affect BANC. Mr. Smith shared some insight and Mr. Shetler confirmed that export priorities would be part of BANC's discussion in looking at its own summer assessment.

Finally, Mr. Shetler noted that a revised cost-benefit analysis to address non-BANC member participation in a BANC OATT/OASIS has been developed and provided in the

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meeting materials. The revision contemplates that Non-BANC members who have COTP rights and wish to participate would be allowed to do so. No action is requested at this meeting. It is anticipated that this will remain on hold until this summer. Ms. Bertolino asked whether staff considered other alternatives to charging non-BANC members at cost. Mr. Shetler responded that this was considered, and that the benefits to the BANC members are the sharing of the costs, and as long as SMUD is recovering their loaded expenses, they are satisfied with the approach. This approach is predicated on non-BANC members participating under the same OATT.

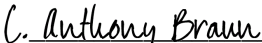
- B. Mr. Braun provided an update on ongoing discussions regarding the General Manager status as an independent contractor. It was suggested that BANC Counsel work with the BANC Chair and General manager to identify options that the Commission can review at the next meeting.

- 6. Closed Session: The Commission retired to closed session at 2:44 p.m. for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9; one matter.

The Commission adjourned from closed session at 3:26 p.m., where no formal action was taken.

Minutes approved on February 24, 2021.

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C. Anthony Braun, Secretary