

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, October 23, 2024

Teleconference Meeting

Balancing Authority of Northern California

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **October 23, 2024 at 2:00 p.m.**

The following information is being provided as the forum by which members of the public may observe the meeting and offer public comment:

Phone: 1-301-715-8592 or 1-305-224-1968

Meeting ID: 899 6241 2959

Passcode: 497072

Meeting Link: <https://us06web.zoom.us/j/89962412959?pwd=X7xFb6etnNLBaOd7NEZBf2qXclCUlf.1>

If a member of the public would like to make a comment during the public comment period, please use the 'Raise Hand' function and staff will note your desire to speak. For members of the public joining by telephone (audio only), please email your public comment to administrator@braunlegal.com. Public comment received by email will be read within the allotted public comment period.

Public Meeting Locations:

Any member of the public may observe the meeting and offer public comment at the following addresses where Commissioners may also join the meeting:

City of Shasta Lake

3570 Iron Court
Shasta Lake, CA 96019

Modesto Irrigation District (MID)

1231 11th Street (Conference Room 2D)
Modesto, CA 95354

Redding Electric Utility

3611 Avtech Parkway (Executive Conference Room)
Redding, CA 96002

Roseville Electric Utility

116 S Grant Street (Geothermal Conference Room)
Roseville, CA 95678

Sacramento Municipal Utility District (SMUD)

6201 S Street (Executive Conference Room)
Sacramento, CA 95817

AGENDA

- 1 Call to Order and Verification of Quorum.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
 - A. Minutes of the Regular Commission Meeting held on September 18, 2024.
 - B. BANC Operator Report (September).
 - C. Compliance Officer Report (October).
 - D. PC Committee Chair Report (October).
 - E. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. General Manager Updates.
 - i. Market Updates – EIM, EDAM, Markets+, WRAP.
 - ii. BANC Resource Development Update.
 - B. Consider and Possibly Approve Resolution 24-10-01 *Approval of 2025 Annual Budget for BANC.*
 - C. Draft 2024/2025 BANC Strategic Initiatives.
 - D. Consider and Possibly Approve Resolution 24-10-02 *Approval of Amended Management Services Agreement between BANC and Adirondack Power Consulting, LLC.*
 - E. Member Updates.
- 6 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to Cal. Gov't Code § 54956.9; anticipated litigation, one case: (1) matters related to Federal Energy Regulatory Commission Docket No. ER23-2686-000.
- 7 Adjournment.**

Accessible Public Meetings - Upon request, BANC will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 3 days before the meeting. Requests should be sent to: Kris Kirkegaard, 555 Capitol Mall, Suite 570, Sacramento, CA 95814 or to administrator@braunlegal.com.

Balancing Authority of Northern California

Consent Agenda Items

- A. Minutes of the September 18, 2024 BANC Regular Meeting.**
- B. BANC Operator Report (September).**
- C. Compliance Officer Report (October).**
- D. PC Committee Chair Report (October).**
- E. General Manager's Report and Strategic Initiatives Update.**

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

September 18, 2024

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held at 2377 Gold Meadow Way, Gold River, 1st Floor Conference Room, Gold River, CA 95814.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	Martin Caballero
City of Redding	Nick Zettel
City of Roseville	Bill Forsythe, Alternate
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Paul Hauser, Chair

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kris Kirkegaard	General Counsel Support
Bryan Griess	Western Area Power Administration

1. Call to Order and Verification of Quorum: Chair Hauser verified that there was a quorum to proceed; attendance is noted above. He then called the meeting to order at 2:01 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair Hauser invited comments from the Commission and a motion on the Consent Agenda; no comments.

ACTION: M/S (Caballero/Forsythe) to **approve the Consent Agenda**. Motion carried by a unanimous vote. (Abstain: Commissioner Takehara).

5. Regular Agenda Items.

A. General Manager Updates:

i. Market Updates – EIM, EDAM, Markets+, WRAP.

Mr. Shetler overviewed the following topics: ongoing operations, CAISO Benefits Analysis; EIM Committee oversight (noting a discussion within the Settlements subcommittee and EIM Committee recommendation regarding suspending the BANC Flex Ramp Product, EDAM Implementation, the WAPA-SNR decision on EDAM participation, progress on the BANC RA Program, an update on the West-wide

MINUTES OF THE REGULAR MEETING
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Governance Pathways Initiative, SPP Markets+, and WRAP. Michelle Williams, WAPA Senior Vice President and Sierra Nevada Regional Manager, also provided an update on the WAPA-SNR decision process and timeline.

Commissioner questions regarding when an EDAM implementation agreement may be signed, certain EDAM implementation issues, the West-wide Governance Pathways Initiative, and other CAISO issues were addressed by Mr. Shetler and Mr. Braun.

ii. BANC Resource Development Update.

Mr. Shetler shared that Calpine has reached agreement with the Department of Energy for funding and noted that a draft participation agreement between BANC and potential project participants in the Calpine Sutter CCS project was under review by members. Mr. Shetler answered questions from the Commission. No action was requested.

B. Update on 2023 Budget Performance.

Mr. Shetler noted an accounting entry error in the charge for the EMS Module under PA-5: EIM Participation. This is no longer an overbudget item.

C. Consider and Possibly Approve Resolution 24-09-01 Approval of Amendment to 2024 Annual Budget for BANC.

Mr. Shetler reviewed the overall 2024 budget decrease for PA-8: EDAM, which reflects the change to a Spring 2027 go-live for EDAM. Additionally, a consultant task was added to support WAPA-SNR at its request.

ACTION: M/S (Lewis/Zettel) to **approve Resolution 24-09-01 Approval of Amendment to 2024 Annual Budget for BANC.** Motion carried by a unanimous vote. (Abstain: Commissioner Takehara).

D. Discussion on 2024 BANC Strategic Planning Session – Next Steps.

Mr. Shetler reviewed the action items from the Strategic Planning Session. He took feedback and questions from the Commission. No Commission action was requested.

E. Preparation for 2025 Budget.

Mr. Shetler walked through an updated draft of the 2025 budget and took questions from the Commission. The 2025 budget is expected to be brought before the Commission in October for consideration and possible approval.

F. Member updates.

Commissioner Zettel highlighted staffing and audit updates, noting that they have applied for self-logging with WECC. Alternate Commissioner Forsythe mentioned a new renewables contract and highlighted that Roseville would be hosting the 2025 APPA Lineworkers Rodeo in March of 2025. Alternate Commissioner Lewis noted that: SMUD had entered into its first Qualifying Facility (QF) contract; multiple board members are up for re-election; they are working on a number of solar and battery projects; and, they are starting to look at 2026-27 rates. Commissioner Caballero stated that MID had 3 open solicitations and that they had been officially accepted into WECC's Self-Logging Program. Commissioner Hauser said that the Wildfire Safety Advisory Board is planning a meeting in the Trinity area in the first part of October and noted that legislation had been passed to allow for a permanent local exemption from the commercial and

MINUTES OF THE REGULAR MEETING
OF THE COMMISSIONERS OF
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residential solar and battery mandate, which is waiting on the governor's signature. TPUD also has multiple board seats up for reelection.

The Commission adjourned at 4:01 p.m.

Minutes approved on October 23, 2024.

C. Anthony Braun, Secretary



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

TO: BANC Commission

RE: BANC Operator Report for September 2024

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
 - 1 Qualifying Event
 - 0 MW Qualifying Event request
 - 99 MW average generation lost
 - 99 MW maximum generation lost
 - Generating unit(s) and date(s) affected:
Shasta (SHA) Unit 2 tripped offline, cause unknown at this time.
 - All recoveries within 5 minutes
- USF
 - 10 of 30 days with instances of USF mitigation procedure utilized
 - 0 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 1 Minute
 - Number of BAAL exceedance >10 minutes: none
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2024 Frequency Response Obligation (FRO): -15.8 MW/0.1Hz

Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,
City of Shasta Lake, and Sacramento Municipal Utility District

Compliance Officer Report

BANC Commission Meeting

October 2024

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified on the Commission agenda for action.

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- The BANC Internal Compliance Program Charter and MCRC Charter are currently in the annual internal review process and will be brought to the Commission at a forthcoming meeting for consideration and possible approval.
- BANC's 2025 Entity Monitoring Schedule (WECC):
 - The Audit Notice Package is expected to be received on January 10, 2025.
 - The WECC Compliance Audit is currently scheduled to take place May 12 - 23, 2025 (off-site and on-site weeks.)

BANC MCRC:

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, October 21st via teleconference.

PC Committee Chair Report

BANC Commission Meeting

October 2024

The following summarizes Planning Coordinator-related activities and updates for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

BANC PC Committee Updates and/or activities:

SMUD staff continues to work toward demonstrating compliance with PC-related NERC reliability standards.

- FAC-014-3 - Establish and Communicate SOLs - Staff is revising the BANC PC documented process required by R6 of FAC-014-3 as recommended by Archer during the Mock Audit process. Staff is also creating an accompanying report to comply with FAC-014-3. An updated FAC-014-3 R6 BANC PC Process document and a draft FAC-014-3 BANC PC Report will be sent out to BANC PC participants for review and comment by October 25th.
- MOD-033-2 Model Validation – The Steady State data request for MOD-033 has been sent out with a deadline of October 18th.
- PRC-010-2 - Undervoltage Load Shedding – BANC received data and updated UVLS models from Roseville. Staff had completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comment on September 19th. Comments are due by November 1st with an updated version of Roseville's UVLS scheme.
- PRC-026-2 - Relay Performance During Stable Power Swings - Staff shared the draft BANC PC PRC-026-2 report with PC Participants for review and comment on September 10th. Staff is incorporating comments received, and a finalized report will be shared with BANC PC Participants by October 11th.
- TPL-001-5.1 Transmission System Planning Performance – 2024 BANC PC Transmission Planning Annual Assessment Report has been finalized and sent out to BANC PC committee members for approval. The Report was approved by BANC PC committee members on October 4th.
- TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff is currently performing GMD study on the GIC current impact on the bulk system voltages (230 kV) and reactive power consumptions, which the 2022 GMD study performed by WECC did not include. The study is expected to be completed by the end of this year.

The table below shows the current status of all PC-related NERC standards:

	PC Standard	Estimated % Complete	Notes
1	FAC-002-4 Interconnection Studies	100%	There are no BES interconnection projects in 2024 for BANC PC Participants per 2024 survey as no system upgrades meet the new definition of qualified changes for BANC PC for this year.
2	FAC-010-3 SOL Methodology for Planning Horizon	N/A	This standard is inactive as of 03/30/2024.
3	FAC-014-3 Establish and Communicate SOLs	66%	Staff is revising the BANC PC documented process required by R6 of FAC-014-3 as recommended by Archer during the Mock Audit process. Staff is also creating an accompanying report to comply with FAC-014-3. An updated FAC-014-3 R6 BANC PC Process document and a draft FAC-014-3 BANC PC Report will be sent out to BANC PC participants for review and comment by 10/25/2024.
4	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2024 annual assessment to send to the Reliability Coordinator.
5	MOD-031-3 Demand and Energy Data	100%	Staff completed the 2024 Loads and Data request cycle. WECC broke up the data request into multiple spreadsheets with two sets of due dates and a narrative request with separate due date. These were completed with WECC requested load and energy data and sent to WECC by the due dates. WECC sent out a narrative request, and that request was sent to BANC PC Participants for input. Responses were aggregated and uploaded to WECC on 03/19/2024.
6	MOD-032-1 Data for Power System Modeling & Analysis	100%	Ongoing activity. Data requests to fulfill 13-month cycle for compliance were sent 02/09/2024.
7	MOD-033-2 System Model Validation	10%	Initial steady state data request was sent out with a deadline of 10/18/2024.

	PC Standard	Estimated % Complete	Notes
8	PRC-006-5 Underfrequency Load Shedding	100%	Staff sent the WECC-requested annual UFLS data request from BANC PC Participants to the Off-Nominal Frequency System Protection (OFSPR) Southern Island Load Tripping Plan (SILTP) technical writer on 05/29/2024. The SILTP technical writer finalized the shared data and sent the completed report to WECC on 07/01/2024. Staff continues to participate in WECC Under-Frequency Load Shed Working Group representing BANC PC as needed.
9	PRC-010-2 Undervoltage Load Shedding	90%	PRC-010-2 - Undervoltage Load Shedding – BANC received data and updated UVLS models from Roseville. Staff had completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on 09/19/2024 and comments are due by 11/01/2024.
10	PRC-012-2 Remedial Action Schemes	10%	New Standard effective 01/01/2021. Study Plan finalized on 04/10/2020. The R4 assessment is not required until 01/01/2026 which means that the assessment and report must be finalized and published by 01/01/2025.
11	PRC-023-6 Transmission Relay Loadability	100%	Staff finalized and shared the report with industry stakeholders on 08/23/2024. The study report documented the findings of no null-list for applicable circuits for BANC PC Participants and communicated this with the industry stakeholders as well.
12	PRC-026-2 Relay Performance During Stable Power Swings	100%	Staff shared the draft BANC PC PRC-026-2 report with PC Participants for review and comment on 09/10/2024. Staff is incorporating received comments for the draft report and a finalized report will be shared with BANC PC Participants by 10/11/2024.
13	TPL-001-5 Transmission System Planning Performance	99%	Report is finished and awaiting Commission Approval.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	15%	Staff is performing GMD study on the GIC current impact on the bulk system voltages (230 kV) and reactive power consumptions. The study is expected to be completed by the end of this year.

GM Report

BANC Commission Meeting

October 23, 2024

I wanted to summarize routine issues for the Commission's information and consideration. Any major issues or action items will be identified separately on the Commission agenda for action.

Outreach Efforts:

Refer to GM outreach report provided under separate distribution. In addition, here are some other noteworthy items:

LADWP/Seattle City Light/SRP

Dialogue continues with these entities regarding EIM participation. We continue to interact on an informal basis to make sure we are aligned on EIM issues from a POU perspective. We are holding periodic calls to provide updates and discuss issues. We have also used this forum to discuss POU positions regarding the EDAM development, other market design issues (e.g.- SPP Markets+), and to discuss potential summer heat wave impacts on EIM and EDAM design.

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports show that BANC is seeing benefits from EIM participation, with the 2nd Quarter 2024 report showing gross benefits of \$49.90 million for BANC, with a total of \$685.80 millions of gross benefits for BANC since joining in 2019.

With respect to BANC EIM Phase 2 effort, BANC has been passing the EIM Balancing, Capacity, and Flex Ramp tests with a high success rate. Both the Technical Evaluation Subcommittee and the Settlements Subcommittee are meeting routinely and evaluating EIM operations, with reports out to the EIM Committee. The EIM Committee has recommended suspending use of the current BANC Flex Ramp Product effective 10/1/24.

EDAM Participation

FERC approved the EDAM/DAME tariff on 12/21/23 with the exception of the Access Charge. In its order, the Commission accepted the overwhelming majority of the proposed market rules and rejected without prejudice one element of the EDAM proposal related to transmission revenue recovery (TRR) for market participants.

The CAISO filed a revised proposal with FERC on April 12, 2024, which was approved by FERC on June 12, 2024. This resolves the concerns by the potential EDAM participants and should allow several to move forward.

A group of Western state regulators (AZ, CA, NM, OR, and WA) have sent a letter to CREPC/WIRAB supporting the creation of an independent entity that would leverage the existing CAISO infrastructure for EIM and eventually EDAM to develop a cost-effective West-wide market. This would include a range of market services from EIM to EDAM to an RTO. It also deals with the CAISO governance issue by creating a separate independent entity. BANC views this as a positive development in ensuring a West-wide market that will include CA and supports the effort. The Western Markets Governance Pathways Initiative has formed a “Launch Committee” made up of stakeholders from twelve sectors to organize this effort. One of the sectors is for POU. The BANC General Manager is serving as a representative for the POU Sector. The Launch Committee issued a draft proposal on April 10, 2024, outlining a stepwise approach to independent oversight over CAISO markets. BANC joined in with a group of 32 other entities in support of the Launch Committees Step 1 proposal to move to primary authority for the WEIM Governing Body over market rules and supporting the Launch Committee further fleshing out the draft Step 2 proposal to move to the formation of a Regional Organization with an independent board that would have sole authority over market rules within the current CAISO tariff structure. The Launch Committee approved the Step 1 proposal on 5/31/24 and sent this to the CAISO for consideration and possible implementation through its stakeholder process. The CAISO Board of Governors and the WEM Governing Body approved the Step 1 proposal on 8/13/24. CAISO staff will now work on updating the necessary documentation to allow the Step 1 primary authority model to move forward once the level of EDAM Implementation signatories reaches the designated threshold value. The Launch Committee issued an initial draft of the Step 2 proposal in late September and is currently seeking stakeholder comments. The goal is to finalize this proposal by late fall 2024.

Based upon the Commission’s unanimous approval at its 8/23/23 meeting, BANC staff have initiated the project efforts for EDAM Implementation, which includes starting dialogue with the CAISO project management group for EDAM and establishing the internal BANC project team. Initial kick-off of the BANC EDAM project team was held on 12/13/23. BANC met with PacifiCorp on January 11, 2024, and February 26, 2024, to start discussing joint EDAM implementation issues and has initiated project discussions with the CAISO. We had follow-up meetings in early June with PacifiCorp and other interested EDAM parties regarding lessons-learned on EDAM project efforts and to review a draft of the PacifiCorp OATT. We have also held discussions with Portland General Electric regarding their implementation efforts and with LADWP. As noted at the Strategic Planning Session in August, BANC is adjusting its implementation plan consistent with the WAPA-SNR decision-making process and assumes moving from a Spring 2026 to Spring 2027 implementation.

Other Market Developments

In parallel with the EDAM process, SPP has announced its “Markets+” effort to support utilities in the West with a range of market options from EIM to full RTO services. SPP filed its Markets+ tariff at FERC on March 29, 2024. SPP received a deficiency letter from FERC on 7/31/24 with a request to provide responses within 60 days. SPP responded to the deficiency letter in late September. SPP deferred seeking additional funding for the next phase of market development and commitments to Markets+ until later in 2024. They have also indicated that “go-live” for Markets+ will be delayed until 2027. Staff views Markets+ as a fallback option for BANC and will continue to monitor this market option but does not plan on seeking funding for participation in this next phase of their efforts.

WAPA:

Market Engagement

WAPA-SNR continues to be an active participant in the EIM.

We have also held several discussions with WAPA-SNR to assist in their decision-making on EDAM participation. WAPA-SNR held a series of customer meetings for the EDAM throughout this summer with the last meeting on 8/22/24. It is staff’s understanding that WAPA-SNR has provided a qualified recommendation to the WAPA Administrator regarding EDAM participation and that the Administrator will be reviewing this recommendation over the next several weeks. BANC staff are encouraging a WAPA decision that will support our revised EDAM implementation of Spring 2027.

WECC:

WECC Board Meetings

The last set of Board and committee meetings were held on September 17-18, 2024, in Salt Lake City, UT, which was the WECC Annual Meeting. The next set of meetings will be December 10-11, 2024, in Salt Lake City, UT.

Western Power Pool (WPP):

Western Resource Adequacy Program (WRAP)

As agreed previously, BANC has informed WPP that it will not be participating in the Western Resource Adequacy Program (WRAP) due to our lack of ability to have firm, long-term transfer capability at Mid-C, which is the hub for the WRAP interchanges. BANC continues to monitor development of the WRAP and hold periodic discussions with WPP regarding our ability to participate in the future. WPP announced in late April 2024 that their WRAP participants have formally requested a delay in the “binding”. The WRAP participants recently formally voted to extend the binding date to 2027. WPP is in the process of finalizing changes to the WRAP implementation rules and are currently in the process of pre-tariff filing

discussions with FERC. It is expected that the amended tariff will be filed soon after the New Year.

RSG and FRSG Participation

BANC continues to participate in the Reserve Sharing Group and the Frequency Response Sharing Group through the WPP and receive benefits in doing so.

WestTEC

WPP has initiated a new process called the Western Transmission Expansion Coalition (WestTEC) which is intended to provide coordination among the current regional transmission planning entities in the West (CAISO, Northern Tier, and WestConnect) to determine if there are some broader regional transmission projects that should be considered. WPP has obtained DOE funding for this effort which is in the early phases of implementation. They are currently envisioning a 2.5 year process with an initial 10-year plan out in the first year and a 20-year plan the second year.

CDWR Delta Pumping Load:

BANC is coordinating with SMUD, CDWR, WAPA, and the CAISO regarding how the construction and pumping loads and ancillary services will be provided for this project. The CAISO has reached out to BANC/SMUD/WAPA-SNR regarding contacts for initiating discussions on how CAISO will supply energy for the construction loads in our footprints. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule and SMUD is initiating updated studies. The current schedule for the project is to initiate construction in 2033 with operations initiated in 2040's.

SB100 Implementation:

As part of SB100, the CPUC, CEC, and CARB (Joint Agencies) are required to collaborate with the California BAs to develop a quadrennial report on the status of achieving the goals of SB100. The four POU BAs (BANC, IID, LADWP, and TID) are collaborating on positions and responses, facilitated by CMUA. The final, initial report was issued on 3/15/21. The CEC did reach out to the POU BAAs in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. Based upon recent discussions, the POU BAAs have hired a consultant via CMUA to assist in this effort. The Joint Agencies are working to finalize the SB100 effort to support issuing an update report by the required date of 1/1/25. BANC is working with IID, LADWP, and TID to coordinate our engagement in this effort.

Western Electricity Industry Leaders (WEIL) Group:

The WEIL CEOs last met on October 11, 2024, in Portland, OR. The next meeting of the WEIL group is planned for February 21, 2025, in San Diego, CA.

Strategic Initiatives:

The 2023/2024 Strategic Initiatives are attached to this report.

BANC 2023/2024 Strategic Plan - Routine Initiatives - October 2024 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	No update planned for 2024 Considering amended GSA to move to full-time support
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2024	Initial policies & procedures approved at 11/15/23 mtg.
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs.
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W/WEL	Ongoing as Necessary	Pathways Step 2 draft issued for comment
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W/WEL	Ongoing	Continue periodic discussions on areas of collaboration
8 Medium	ASSETS	Monitor RA development in WI	Jim S./BB&W/Res. Com.	4th Qtr. 2024	WRAP binding period to be delayed until 2027. Program revisions being developed.
9 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2023/2024 Strategic Plan - Focused Initiatives - October 2024 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
10 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
11 High		EDAM evaluation effort ~ Engage Stakeholder Processes ~ Participate in CAISO Tariff Process ~ Manage BANC EDAM implementation	Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL/ Utilicast	Ongoing 1st Qtr. 2024 Apr-27	Approved 12/21/23. Access Charge revsn. approved 6/12 Project kick-off 12/13/23 Coord. with WAPA on go live
12 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
13 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Speaking at CREPC 10/24/24 on Pathways
14 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, WWGPI, & etc.	Jim Shetler/BB&W/WEL	Ongoing	Pathways Initiative LC
15 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	
16 Medium	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BB&W/Res. Com.	1st Qtr. 2025	Initiating agreement development
		~ Develop agreements for GSCE project participation	Jim S./BB&W/Res. Com.	On Hold	Waiting on pricing from GSCE
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5B

1. **Resolution 24-10-01 Approval of 2025 Annual Budget for BANC.**
2. **Attachment A to Resolution 24-10-01: BANC 2025 Budget – October 2024 Draft.**

**Balancing Authority of Northern California
Resolution 24-10-01**

APPROVAL OF 2025 ANNUAL BUDGET FOR BANC

WHEREAS, the Balancing Authority of Northern California (“BANC”) Joint Powers Agreement (“JPA”) Section 11.4 describes both the responsibilities and the non-delegable duties of the BANC Commission which include approving an annual budget and approving assessments to each Member; and

WHEREAS, JPA Section 12 provides that the BANC Commission may assess each Member for its respective Participation Percentage share of funds required to carry out BANC’s purposes as specified in the annual budget; and

WHEREAS, BANC Resolution 12-02-03 established a process whereby Member assessments shall be required no less than two times per year; and

WHEREAS, the General Manager worked together with vendors and counsel to develop a draft budget that has been presented to the Commission for information and review during prior Commission meetings; and

WHEREAS, based on input and direction from the Commission, the General Manager has prepared a final version for consideration and possible adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby:

1. Approve the 2025 Annual Budget for BANC in the form attached hereto as Attachment A.
2. Directs the BANC Treasurer to assess each BANC Member and EIM Participant in accordance with Resolution 12-02-03.
3. Directs the General Manager to execute a funding agreement with WAPA-SNR for its share of participation costs.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 23rd day of October, 2024, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Paul Hauser
Chair

Attest by: C. Anthony Braun
Secretary

BANC 2025 Budget

10/23/2024 – DRAFT

1. Base Budget

a. General Manager Expenses = **\$474,000**

- i. Scope: General Manager retainer (@\$37,500/mo.) and expenses (@\$2,000/mo.) = \$474,000
- ii. Assumptions: \$6,600/month increase in retainer to reflect discussion on moving GM support to full-time and \$500/month increase in expenses from 2024

b. Legal Services = **\$614,855**

- i. Assumptions: Increase in base legal services from 2024 of 3% for retainer, with the notation that additional legal services may be required based on the level of activity in overall engagement. The proposed increase reflects several factors, including salary and other business cost pressures, expected policy and delegation matters for the agency; with increased activity in such areas as ongoing state legislation, summer reliability initiatives, and similar matters, it seems reasonable to anticipate considerable non-project specific work. Allowance for travel expenses @\$1,500/mo.
- ii. Scope of Services includes:
 - 1. All public agency support including Commission meetings, committee meetings, Brown Act, public records, Fair Political Practices Commission support;
 - 2. Vendor and other contract review;
 - 3. General business support with GM;
 - 4. Development of new and refreshed policies and procedures;
 - 5. Strategic planning and coordination with GM;
 - 6. Compliance matters including MCRC;
 - 7. Support for initial stages of any initiatives;
 - 8. Other issues that may arise. In the past this has included such things as the dissolution of Peak RC and formation of RC West
 - 9. Support for Integrated Resource Plan initiative, including meetings, production of written products, legal review and supporting regulatory outreach and communications;
 - 10. RA Policy development, including program organizational support, meetings, work product productions and review, legal review and supporting regulatory outreach and communications.

iii. Retainer = \$596,855

iv. Expenses = \$18,000

- c. WPP Membership Payments = **\$105,000**
 - i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum.
- d. Resource Committee Support = **\$100,000**
 - i. Scope: Potential consultant support for: developing IRP summary for BANC footprint, Resource Adequacy policy development, and potential consultant support for ongoing efforts at \$100,000.
- e. Asset Valuation = **\$1,025,908**
 - i. Energy Management System
 - 1. Assumptions:
 - a. Amortized capital cost, excluding EIM module (BANC share) = \$517,238
 - b. Annual Siemens support cost (BANC share) = \$113,470
 - c. Revised to reflect latest capitalization amount for Siemens EMS upgrade (\$5,508,835) and annual support services (\$263,883) both excluding EIM module. Assumes capital investment is amortized over 5 years @ 3%/year. BANC share of EMS capital and support services costs is 43%.
 - 2. Total = \$630,708
 - ii. Energy Management Center/Backup Control Center
 - 1. Assumptions:
 - a. Total estimated amount for EMC+BCC= \$~1,300,000/year
 - b. TOP/BA share is 76% = \$988,000
 - 2. BANC share of TOP/BA= 40% = \$395,200
- f. Administrative Expenses = **\$281,600**
 - i. Accounting/Treasury Support = \$248,600
 - ii. Annual Audit Fees = \$10,000
 - iii. CMUA Membership = \$21,000
 - iv. Bank Charges = \$2,000
- g. Sub-total = **\$2,601,363**
- h. Contingency: **\$130,000**

Total = **\$2,731,363**

Member Breakdown Comparison of 2024 vs. 2025 Base Budgets (based on 2023 Retail Sales for 2025):

MEMBER ALLOCATION (2025 %s)	2025	2024
SMUD (69.18%)	\$ 1,872,261.92	\$ 1,622,171.48
MID (16.99%)	\$ 459,811.07	\$ 403,249.01
ROSEVILLE (7.55%)	\$ 204,330.41	\$ 180,215.13
REDDING (4.87%)	\$ 131,799.88	\$ 113,869.62
SHASTA LAKE (1.41%)	\$ 38,159.72	\$ 33,172.76
Subtotal	\$ 2,706,363.00	\$ 2,352,678.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
TOTAL	\$ 2,731,363.00	\$ 2,377,678.00

2. Participation Agreement #1 (PA-1) – PC Services

a. Assumptions:

- i. SMUD to provide contract PC services to BANC
- ii. Total Base Cost to BANC = \$328,750
 - 1. Main PC evaluation labor = \$288,377
 - 2. \$40,373 for labor to perform an overview assessment of full BANC footprint
 - 3. Includes a 3.0% labor rate adjustment for 2025
- iii. WAPA-SNR does not participate, TPUD and Shasta Lake embedded within WAPA-SNR; all other members participate
- iv. Cost to be allocated based upon 50% to SMUD and 50% to remaining members prorated by share of generation/60kV and above buses among the remaining members:
 - 1. SMUD = (50%)
 - 2. MID = (30%)
 - 3. Roseville = (10.5%)
 - 4. Redding = (9.5%)

b. Estimated costs by member:

MEMBER	PA-1 ASSESMENT
SMUD (50%)	\$ 164,375.00
MID (30%)	\$ 98,625.00
ROSEVILLE (10.5%)	\$ 34,518.75
REDDING (9.5%)	\$ 31,231.25
TOTAL	\$ 328,750.00

3. Participation Agreement #2 (PA-2) – RC Funding

a. Assumptions

- i. BANC transitioned from Peak RC to RC West (CAISO) for RC services on 7/1/19 and going forward.
- ii. RC West Funding
 - 1. TPUD and Shasta Lake are embedded within WAPA-SNR, which becomes a TOP Funding Party under CAISO RC West tariff.
 - 2. MID, Redding, and SMUD become TOP Funding Parties under CAISO tariff.
 - 3. BANC pays the remaining amount allocated to the BA footprint per CAISO tariff for Roseville.
 - 4. Assumed RC West 2024 charge-out rates = \$0.03/MWH
 - 5. 2022 NEL for remaining BANC footprint:
 - a. Roseville = 1,181,128 MWH

b. Estimated costs under PA-2 based upon RC West proposed rates for Roseville:

MEMBER	2023 NEL - MWH	2025 ASSESSMENT
ROSEVILLE	1,181,128	\$ 35,433.84
TOTAL	1,181,128	\$ 35,433.84

4. Participation Agreement #3 (PA-3) – EIM Implementation (Phase 1) - CLOSED

5. Participation Agreement #4 (PA-4) –Market Tracking & Evaluation

a. Assumptions

- i. We believe that continued monitoring of general market activities in the West is warranted. This likely will include FERC filings and also possible FERC meetings and technical conferences. Also, regionalization discussions will likely continue as reflected in recent studies performed by various advocacy groups and the Pathways Initiative. We assume the total monthly legal services retainer will be \$12,000, which is a decrease from 2024.
- ii. It is assumed that all Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in this effort. (NOTE: Shasta Lake loads assumed part of Redding load for this allocation). Cost allocation based upon 2025 3-year rolling average NEL as follows:
 - 1. SMUD – 64.4%
 - 2. MID – 15.6%
 - 3. WAPA-SNR – 7.3%
 - 4. Roseville – 6.9%
 - 5. Redding – 5.8%

b. Scope of services includes:

- i. High level monitoring of Western regional developments outside of the CAISO, such as WRAP, SPP Markets+, WestTec, or other similar initiatives;
- ii. Regional engagement on behalf of BANC in forums such as the Council for Regional Power Cooperation (CREPC), WIEB, NARUC Western meetings, and other similar forums;
- iii. Coordination with EDAM Entities on regional matters;
- iv. Coordination with Western POU's on regional matters;
- v. Interface as Body of State Regulators public power liaison;
- vi. Interface on Regional Issues Forum and/or Regional Organization Stakeholder Review Committee.

c. Estimated costs for monitoring day-ahead market development reflect that, while the character of the engagement will change, focus and extensive effort will continue through the year. Consultant support will be limited to part of the contract support from CES.

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING
Legal Support	\$ 144,000.00	\$ 92,736.00	\$ 22,464.00	\$ 10,512.00	\$ 9,936.00	\$ 8,352.00
Consultant Support ~ Market Dev, Spt. (CES)	\$ 24,000.00	\$ 15,456.00	\$ 3,744.00	\$ 1,752.00	\$ 1,656.00	\$ 1,392.00
Total Estimate	\$ 168,000.00	\$ 108,192.00	\$ 26,208.00	\$ 12,264.00	\$ 11,592.00	\$ 9,744.00
Contingency (5%)	\$ 8,400.00	\$ 5,409.60	\$ 1,310.40	\$ 613.20	\$ 579.60	\$ 487.20
TOTAL	\$ 176,400.00	\$ 113,601.60	\$ 27,518.40	\$ 12,877.20	\$ 12,171.60	\$ 10,231.20

6. Participation Agreement #5 (PA-5) – EIM Participation

a. Assumptions

- i. BANC serves as EIM Entity
 - ii. SMUD/MID/Roseville/Redding/WAPA-SNR participate as PRSCs for full year
 - iii. Costs allocated in accordance with 2025 3-year rolling average NEL for all five participants as follows:
 1. SMUD – 64.4%
 2. MID – 15.6%
 3. WAPA-SNR – 7.3%
 4. Roseville – 6.9%
 5. Redding – 5.8%
- b. Cost estimates based on EIM Services Agreement, and latest estimates, including software charges per contracts. Includes 3% adjustment for SMUD labor and 3% adjustment for software contracts. SMUD labor for EIM Desk, SME/Oversight, and Settlements will be charged out based upon actual hours expended. Charges for all other SMUD labor will be allocated based upon the estimate provided.
- c. CAISO charges have been eliminated from the PA-5 budget as these are handled through the settlements process.
- d. Allocation of TPUD load settlement charges assigned to SMUD/MID/Redding/Roseville per original agreement. Load based settlement charges assumed at \$25,000 for EIM operation in 2025.
- e. Legal services for regulatory support assumed at \$135,000 (25-30 hours/month). Scope of services to include:
- i. Assess High Priority Issues in the CAISO stakeholder process that affect members and BANC. Tentatively this would include matters that are directly relevant to the market that we will be participating in, such as Resource Sufficiency Evaluation, Greenhouse Gas/market interface, Day Ahead and Real Time market Rules. In this phased in period, we would not propose to cover Interconnection Queue issues, Transmission Planning. Resource Adequacy issues, while not directly applicable to us, are a closer call to be discussed.
 - ii. Summarize and brief members on issues. Lead committee discussions.
 - iii. Work with member staff and any outside consultants to develop positions.
 - iv. Draft Comments and interface with CAISO Staff and other stakeholders.
 - v. Further issue coverage could be assessed as the program evolves and EDAM gets closer to go-live.

Participation Agreement #5 (PA-5) – EIM Participation (cont.)

IMPLEMENTATION CATEGORY	ESTIMATE	Participant		Cost	Allocations		TOTAL
		SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	
Personnel - EIM Desk (5)	\$ 1,946,015.00						
Personnel - Settlements (1.5)	\$ 691,097.00						
Personnel - Outage Mgmt (0.4)	\$ 148,628.00						
Personnel - Netwk Model (1)	\$ 313,526.00						
Personnel - Meter Data Mgmt (0.5)	\$ 46,405.00						
Personnel - SME/Oversight (0.4)	\$ 200,375.00						
Personnel - IT Support (0.25)	\$ 65,379.00						
Personnel Total (9.05)	\$ 3,411,425.00						
EIM Software Support							
- OATI	\$ 101,294.00						
- Power Settlements	\$ 498,488.00		\$ 56,275.00			\$ 56,275.00	\$ 611,038.00
- ITOA	\$ 21,855.00						
- Allowance for SW Upgrades	\$ 50,000.00						
- WebEIM	\$ 43,709.00						
EIM Software Support Total	\$ 715,346.00						
EMS EIM Module							
- Amortized Capital	\$ 52,978.00						
- O&M Support	\$ 10,000.00						
EMS EIM Module Total	\$ 62,978.00						
EIM OPERATOR TOTAL	\$ 4,189,749.00	\$2,698,198.36	\$ 709,875.84	\$ 305,851.68	\$ 289,092.68	\$ 299,280.44	\$4,302,299.00
Miscellaneous Support							
- Legal Support	\$ 135,000.00						
- EIM Stakeholder Support (CES)	\$ 24,000.00						
- Utilicast Support	\$ -						
Miscellaneous Support Total	\$ 159,000.00						
CAISO Charges							
TOTAL EIM Operations	\$ 4,348,749.00	\$2,800,594.36	\$ 734,679.84	\$ 317,458.68	\$ 300,063.68	\$ 308,502.44	\$4,461,299.00
TPUD Load Charges	\$ 25,000.00	\$ 17,400.00	\$ 4,200.00	\$ -	\$ 1,850.00	\$ 1,550.00	\$ 25,000.00
TOTAL	\$ 4,373,749.00	\$2,817,994.36	\$ 738,879.84	\$ 317,458.68	\$ 301,913.68	\$ 310,052.44	\$4,486,299.00

7. Participation Agreement #6 (PA-6) – EIM Phase 2 Preparation (Revision 1 – 5/15/19)
– CLOSED

8. Participation Agreement # 7 (PA-7) – EIM Phase 2 Implementation – CLOSED

9. Participation Agreement # 8 (PA-8) – EDAM Implementation

- a. Assumptions
 - i. BANC serves as EDAM Entity
 - ii. SMUD/MID/Roseville/Redding/WAPA-SNR intend to participate in EDAM
 - iii. Target is for 4/1/27 go-live date for EDAM participation
 - iv. Costs allocated in accordance with 2025 3-year rolling average NEL for all five participants as follows:
 - 1. SMUD – 64.4%
 - 2. MID – 15.6%
 - 3. WAPA-SNR – 7.3%
 - 4. Roseville – 6.9%
 - 5. Redding – 5.8%
- b. Cost estimates based upon Utilicast EDAM “Gap Analysis”; Utilicast EDAM Effort proposal; discussions with SMUD, BB&W, and WEL; and the EDAM implementation options developed by BANC staff. Based upon a Spring 2027 go-live, activity levels are as follows:
 - i. Advisory support from 1/24 – 8/25
 - ii. Pre-implementation support from 9/25 – 3/26
 - iii. Implementation support from 4/26 – 3/27
 - iv. Go-live – April 2027
 - v. Post go-live support from 4/27 – 5/27
- c. Due to staffing constraints, project management support is being updated from SMUD support to a contract consultant (Percipio). For efficiency purposes, and at SMUD’s request, we are proposing a single contract that will provide EDAM project management support for both the BANC and SMUD implementation efforts. These costs will be split evenly, with half being solely funded by SMUD and the other half funded in accordance with the allocation percentages noted in Section a.iv above.
- d. Based upon discussions with the CAISO, the initial installment (\$300,000) of the CAISO EDAM Implementation fee will be due upon execution of the EDAM Implementation Agreement, which is forecasted to be Fall 2024. In addition, CAISO is now estimating the EDAM Implementation Fee will be \$~1.4-1.8 million as opposed to the initial estimate of \$1.2 million.
- e. 8 months of Advisory support and 4 months of Pre-implementation support in 2025.
- f. Legal services estimated at \$146,000 on Time & Materials basis. Scope of services to include:
 - i. TSP OATT support within BANC footprint
 - ii. Supporting implementation and participation agreements with CAISO
 - iii. Member participation agreements
 - iv. Development of business practice manuals
 - v. Any FERC-filed CAISO agreements
 - vi. General tracking of implementation projects and coordination with EDAM Entities on Implementation Issues

Participation Agreement #8 (PA-8) – EDAM Implementation (cont.)

IMPLEMENTATION CATEGORY	Spring 2027 Go-Live	SMUD 64.4%	MID 15.6%	WAPA-SNR 7.3%	ROSEVILLE 6.9%	REDDING 5.8%
Advisory Effort (8 mo)	\$ 552,500.00	\$395,810.00	\$ 86,190.00	\$ 90,332.50	\$ 38,122.50	\$ 32,045.00
~Utilicast Support	\$ 128,000.00			\$ 50,000.00		
~Legal Support	\$ 84,500.00					
~Project Mgmt (Percipio)	\$ 80,000.00					
~BANC	\$ 40,000.00					
~SMUD	\$ -	\$ 40,000.00				
~CAISO Impl. Fee	\$ 300,000.00					
Pre-Impl. Effort (4 mo)	\$ 605,750.00	\$459,003.00	\$ 94,497.00	\$ 44,219.75	\$ 41,796.75	\$ 35,133.50
~Utilicast Support	\$ 174,850.00					
~Legal Support	\$ 62,000.00					
~Project Mgmt (Percipio)	\$ 137,800.00					
~BANC	\$ 68,900.00					
~SMUD	\$ -	\$ 68,900.00				
~CAISO Impl. Fee	\$ 300,000.00					
Total Estimate	\$1,317,150.00	\$854,813.00	\$180,687.00	\$134,552.25	\$ 79,919.25	\$ 67,178.50
Contingency (10%)	\$ 131,715.00	\$ 85,481.30	\$ 18,068.70	\$ 13,455.23	\$ 7,991.93	\$ 6,717.85
TOTAL	\$1,448,865.00	\$940,294.30	\$198,755.70	\$148,007.48	\$ 87,911.18	\$ 73,896.35

10. Participation Agreement # 9 (PA-9): Resource Projects Development

- a. BANC will develop appropriate project agreements for the following projects in 2025:
 - i. Finalize PPA and Participation Agreement with Calpine for taking energy and capacity from the Sutter Power Plant under its Carbon Sequestration Project, with exact form to be determined. This includes transfer or assignment of the current SMUD/Calpine MOA to BANC. Forecast agreements to be prepared by mid-2025.
 - ii. Consideration of solar/storage project with GSCE
 - iii. Development of additional solicitation for BANC procured resources to meet member RA needs.
- b. Support is currently envisioned to be required from BB&W for legal support in negotiating agreements. Estimated support is \$140,000 on a T&M basis. Scope of services include:
 - i. Roughly 6 months of conclusion of Calpine negotiations and member agreements
 - ii. Follow up on Sutter projects at reduce scope
 - iii. Initial Preparation and General Solicitation with Anticipate end of Q2 release
 - iv. Follow Up on evaluation and assessment
- c. There is a placeholder for additional consultant support as the project negotiations develop.
- d. Assume participation from SMUD, MID, Roseville, Redding, and Shasta Lake for these projects in the following percentages:
 - i. SMUD – 76.4%
 - ii. MID – 11.8%
 - iii. Roseville – 4.7%
 - iv. Redding – 5.9%
 - v. Shasta Lake – 1.2%

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	ROSEVILLE	REDDING	SHASTA LAKE
Legal Support	\$ 140,000.00	\$ 106,960.00	\$ 16,520.00	\$ 6,580.00	\$ 8,260.00	\$ 1,680.00
Consultant Support	\$ 50,000.00	\$ 38,200.00	\$ 5,900.00	\$ 2,350.00	\$ 2,950.00	\$ 600.00
Total Estimate	\$ 190,000.00	\$ 145,160.00	\$ 22,420.00	\$ 8,930.00	\$ 11,210.00	\$ 2,280.00
Contingency (5%)	\$ 9,500.00	\$ 7,258.00	\$ 1,121.00	\$ 446.50	\$ 560.50	\$ 114.00
TOTAL	\$ 199,500.00	\$ 152,418.00	\$ 23,541.00	\$ 9,376.50	\$ 11,140.50	\$ 2,394.00

11. 2025 BANC Member Assessments

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: MKT MONITORING	PA-5: EIM Part.	PA-8: EDAM Imp.	PA-9: Resource Projects Dvlpmt	Proposed 2025 TOTAL	Amended 2024 TOTAL (9/24 Update)
SMUD	\$1,872,261.92	\$164,375.00	\$ -	\$113,601.60	\$2,817,994.36	\$940,294.30	\$152,418.00	\$6,060,945.18	\$5,772,373.59
MID	\$459,811.07	\$98,625.00	\$ -	\$27,518.40	\$738,879.84	\$198,755.70	\$23,541.00	\$1,547,131.02	\$1,481,895.46
ROSEVILLE	\$204,330.41	\$34,518.75	\$35,433.84	\$12,171.60	\$301,913.68	\$87,911.18	\$9,376.50	\$685,655.95	\$664,227.02
REDDING	\$131,799.88	\$31,231.25	\$ -	\$10,231.20	\$310,052.44	\$73,896.35	\$11,770.50	\$568,981.62	\$585,236.62
SHASTA LAKE	\$38,159.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,394.00	\$40,553.72	\$33,172.76
TPUD	\$25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$25,000.00	\$25,000.00
BANC TOTAL	\$2,731,363.00	\$328,750.00	\$35,433.84	\$163,522.80	\$4,168,840.32	\$1,300,857.53	\$199,500.00	\$8,928,267.49	\$8,561,905.45
WAPA-SNR	\$ -	\$ -	\$ -	\$12,877.20	\$317,458.68	\$148,007.48	\$ -	\$478,343.35	\$477,214.55
GRAND TOTAL	\$2,731,363.00	\$328,750.00	\$35,433.84	\$176,400.00	\$4,486,299.00	\$1,448,865.00	\$199,500.00	\$9,406,610.84	\$9,039,120.00

Balancing Authority of Northern California

Agenda Item 5C

- 1. Draft BANC 2024/2025 Strategic Initiatives.**

BANC 2024/2025 Strategic Plan - Routine Initiatives - October 2024 Draft

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	No update planned for 2025
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2025	
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs.
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W	Ongoing as Necessary	
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W	Ongoing	Continue periodic discussions on areas of collaboration
8 Medium	ASSETS	Monitor RA development in WI	Jim S./BB&W/Res. Com.	4th Qtr. 2025	
9 Medium		Develop BANC-wide IRP Report	Jim S./Res. Comm	3rd Qtr. 2025	
10 High		Upgrade BANC RA Program	Jim S./Res. Comm.	4th Qtr. 2025	
11 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2024/2025 Strategic Plan - Focused Initiatives - October 2024 Draft

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
12 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
13 High		EDAM implementation effort ~ Manage BANC EDAM implementation	Jim Shetler/BB&W/ Utilicast	Apr-27	
14 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
15 Medium		Regional Policy Issues: Monitor/weigh-in where appropriate	Jim Shetler/Commission	Ongoing	
16 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, WWGPI, & etc.	Jim Shetler/BB&W/WEL	Ongoing	Pathways Initiative
17 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	
18 High	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BB&W/Res. Com.	4th Qtr. 2025	Initiating agreement development
19 High		~ Develop/issue BANC resource solicitation	Jim S./BB&W/Res. Com.	2nd Qtr. 2025	
20 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5D

1. *Resolution 24-10-02 Approval of Amended Management Services Agreement Between BANC and Adirondack Power Consulting, LLC.*

**Balancing Authority of Northern California
Resolution 24-10-02**

**APPROVAL OF AMENDED MANAGEMENT SERVICES AGREEMENT BETWEEN BANC
AND ADIRONDACK POWER CONSULTING, LLC**

WHEREAS, the Balancing Authority of Northern California (“BANC”) was created by a Joint Powers Agreement (“JPA”) to, among other things, acquire, construct, maintain, operate, and finance Projects; and

WHEREAS, BANC JPA Section 11.4.4 authorizes the BANC Commission to hire or appoint officers, employees, and contractors, as it may deem necessary; and

WHEREAS, the BANC Commission has determined that its interests require chief executive services, independent of the members and of the other consulting professionals who furnish other expert services to BANC; and

WHEREAS, Mr. James Shetler was appointed as General Manager by the BANC Commission in 2013 and has served in that role under contract between BANC and Adirondack Power Consulting, LLC (“Adirondack”); and

WHEREAS, the Commission requested that the Chair work with Mr. Shetler to assess any needed changes to the Adirondack agreement; and

WHEREAS, the General Manager role has expanded from part-time to full-time; and

WHEREAS, the Chair has recommended that the underlying monthly retainer under the Adirondack agreement be increased to \$37,500 per month, effective December 1, 2024.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby approve of this increase in compensation and direct the BANC General Counsel to prepare an Amended Management Services Agreement between the Balancing Authority of Northern California and Adirondack Power Consulting, LLC, in a form substantially similar to Attachment A to this resolution, for execution by the Chair without further action by the Commission.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 23rd day of October, 2024, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Paul Hauser
Chair

Attest by: C. Anthony Braun
Secretary

**MANAGEMENT SERVICES AGREEMENT BETWEEN THE
BALANCING AUTHORITY OF NORTHERN CALIFORNIA AND
ADIRONDACK POWER CONSULTING, LLC**

This Management Services Agreement (Agreement) is entered into on and effective as of December 1, 2024, by and between the Balancing Authority of Northern California (BANC) and Adirondack Power Consulting, LLC, and has been made with reference to the following facts, among others, which are stated in these:

RECITALS:

- A. BANC is a public agency, created pursuant to a joint powers agreement (“JPA”), as an entity that is separate and distinct from its member public entities.
- B. BANC relies on consultants and contractors for the provision of administrative, financial, managerial, and expert services.
- C. JPA Section 11.4.4 authorizes the BANC Commission to hire or appoint officers, employees, and contractors, as it may deem necessary.
- D. The BANC Commission has determined that its interests require contract chief executive services, independent of the members and of the other consulting professionals who furnish other expert services to BANC and wishes to extend the services provided by Adirondack Power Consulting, LLC (hereinafter “Contract Executive”), through Mr. James Shetler, as the Contract Executive’s Designated Employee (hereinafter “Contract Executive’s Designated Employee”) for such purposes.

THEREFORE, in consideration of the premises, and the terms, conditions and covenants of this Agreement, BANC and Adirondack Power Consulting, LLC do hereby enter into this Agreement as follows:

Section 1. Services of the Contract Executive.

- a. The Contract Executive, through the Contract Executive’s Designated Employee, shall render to BANC the Services that are described in this Agreement and in the Commission-General Manager Authority Delegation Policy as it may be amended from time to time, attached hereto as Exhibit C.
- b. The Contract Executive shall determine in its sole discretion the method, details, and means of performing the Services for BANC.
- c. The Services to be rendered by the Contract Executive’s Designated Employee are the assumption of the appointment as General Manager and the accomplishment of the objectives as set forth by the BANC Commission strategic issues paper, and Scope of Work, attached hereto as Exhibit B.
- d. The Contract Executive's Services shall include the provision of leadership and communication services to assist BANC in completing its objectives.
- e. The Contract Executive’s Designated Employee, as General Manager, shall make

recommendations to the BANC Commission to preserve and enhance BANC's position with regard to balancing authority matters and reliability in the electricity industry for the benefit of BANC's members.

- f. In assuming the responsibilities of the General Manager, the Contract Executive shall remain an independent contractor and for no purpose shall the Contract Executive be deemed an employee of BANC.
- g. The Contract Executive shall act as a non-voting member of any standing committee that may be chartered from time to time by the BANC Commission. Unless otherwise determined by the BANC Commission, the Contract Executive's Designated Employee, as General Manager, may act as BANC's representative pursuant to the relative balancing authority agreements.
- h. The Contract Executive's Designated Employee, as General Manager, shall also exercise the managerial authority in connection with the expert consulting professionals engaged by the BANC for accounting, auditing, financial, managerial, or other professional services. The Contract Executive shall manage the assignments of these expert consulting professionals engaged by BANC.

Section 2. Term

- a. Appointment, Term, and Termination

BANC does hereby appoint the Contract Executive as its General Manager to serve for the term of this Agreement. The Contract Executive hereby accepts such appointment. This Agreement shall have a term that commences on its effective date of December 1, 2024 and continue until terminated as provided in this Agreement. Upon termination, the Contract Executive shall surrender any office equipment, supplies, and documents in its possession or control that may have been purchased by or for BANC, except for any equipment or furniture purchased pursuant to Section 4.c, below.

- b. Early Termination.

Either the BANC Commission or the Contract Executive may terminate this Agreement at any time, without any cause, at its pleasure or convenience, by providing one-hundred-eighty (180) days written notice to the other, such notice specifying the Effective Termination Date. If the BANC Commission terminates this Agreement, then BANC shall pay the Contract Executive a lump sum equal to the whole Monthly Fee payable for the month in which termination occurs, and any costs, not to exceed the amount budgeted by BANC, if any such costs were incurred by the Contract Executive.

- c. Early Termination by the Contract Executive.

If the Contract Executive terminates this Agreement pursuant to Section 2.b, BANC will pay the Contract Executive for the work performed up to the Effective Termination Date. In no event shall BANC be obligated to pay for any services that are not provided, nor for any services provided or expenses incurred beyond the Effective Termination Date.

d. Mutual Termination.

This Agreement may be terminated by written mutual agreement of both Parties. Termination under this provision may be immediate.

Section 3. Time Devoted to Service.

- a. The Contract Executive understands that the General Manager position is generally expected to require full-time service.
- b. BANC and the Contract Executive agree that the Contract Executive shall determine the hours and the days devoted to service under this Agreement, provided that if the Contract Executive determines that the demands of service exceed full-time hours for an extended period, it will consult with the Commission on recommendations for reducing the demands, modifying this Agreement, or other remedy.
- c. Personal leave of the Contract Executive's Designated Employee is anticipated by BANC.

Section 4. Fees and Costs.

a. Monthly Fees.

The BANC shall pay the Contract Executive a Monthly Fee of \$37,500 during the term of this Agreement, by the last day of each month. BANC shall have no liability for taxes, insurance, or other expenses except as specified in this section.

The Contract Executive shall be entirely responsible for its employees and subcontractors, and it shall, at its expense and in its name, provide disability, workers' compensation or other insurance, required of an employer.

b. Reimbursable Costs.

BANC shall reimburse the Contract Executive the costs of reasonable, necessary, and supported expenses incurred while on BANC business, including the costs of airfare or air charter, lodging, meals, and other travel expenses while on BANC business.

Section 5. The Contract Executive's Assurances.

During the term of this Agreement, the Contract Executive shall maintain professional, property and comprehensive liability insurance, including automobile insurance. Attached as Exhibit A are the insurance requirements and coverage limits. BANC shall be included as a named insured on any policy providing such insurance coverage.

Section 6. BANC's Assurances.

BANC does hereby agree to defend, indemnify, and hold the Contract Executive harmless from and against, any and all claims of injury, damage, or death, including but not limited to, damages that are characterized as special, consequential, or exemplary, to the maximum extent permitted by law, arising out of or related to this Agreement, regardless of whether the claim was the result of a negligent act or omission of the Contract Executive, its employees, or subcontractors, both during the term of this Agreement and

afterwards, in connection with Services rendered under this Agreement, except for any claim which is proven to have resulted from gross negligence, fraudulent or willful misconduct of the Contract Executive, taken or not taken with a conscious disregard of the consequences. In undertaking the defense of the Contract Executive, BANC may consult the Contract Executive on the selection of defense counsel. The Contract Executive shall cooperate with BANC in the defense of any claim. The obligation of this Section 6 shall survive the termination of this Agreement.

Section 7. BANC's Confidences and Records.

- a. The Contract Executive shall retain the papers and computer media the Contract Executive's Designated Employee drafts, collects, or uses as General Manager and make them available for collection or copying by BANC at its expense at the termination of this Agreement. The Contract Executive shall not destroy or discard such papers or media, except in conformance with BANC's document retention policies, without the advance written consent of BANC's General Counsel.
- b. During the term of this Agreement, the Contract Executive will be made privy to confidential information regarding BANC's potential and pending litigation, its negotiations and its trade and proprietary business interests and property. The Contract Executive or its Designated Employee shall not disclose any confidential information without the advance written approval of BANC's General Counsel. The Contract Executive acknowledges that a breach of this Agreement may not be remedied by an award of damages and that the BANC shall be able to enforce its confidentiality claims in law or in equity, or both.
- c. The obligations of this Section 7 shall survive the termination of this Agreement.

Section 8. Financial and Conflict of Interest Laws.

The Contract Executive's Designated Employee, serving as General Manager, shall comply with BANC's Conflict of Interest Code and the laws of the State of California relating to public officials, which require the disclosure of certain financial interests and which prohibit participation in governmental decisions that may affect a personal financial interest.

Section 9. Integration of Agreement.

This Agreement contains the entire agreement between the Parties and supersedes all prior oral and written agreements, understandings, and commitments.

Section 10. Choice of Law.

The formation, construction, and performance of this Agreement shall be construed in accordance with the laws of California. This Agreement shall be enforced in California.

Section 11. Severability.

If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless

remain in full force and effect in all other circumstances.

Section 12. Notices.

Any notice to BANC shall be addressed to its Chair, with a copy to its General Counsel:

Presiding Chair, Balancing Authority of Northern California
c/o Braun Blaising & Wynne, P.C.
555 Capitol Mall, Suite 570
Sacramento, CA 95814

General Counsel - Balancing Authority of Northern California
Braun Blaising & Wynne, P.C.
555 Capitol Mall, Suite 570
Sacramento, CA 95814

Any notice to the Contract Executive shall be addressed to:

Adirondack Power Consulting, LLC
Attention: James R. Shetler
687 Summit Lakes Ct.
Galt, CA 95632

Notices may be delivered by facsimile, express mail, or delivery service. A party may change its address by notice.

Section 13. Independent Advice.

This Agreement is the product of discussion and it shall not be construed against BANC.

The Contract Executive has not looked to BANC or BANC's legal counsel for advice with regard to the form of this Agreement and he has had the opportunity to consult his own counsel regarding it.

Section 14. Arbitration.

Any controversy or claim arising out of or relating to this Agreement or the breach of the Agreement will be settled by arbitration in accordance with the rules of the American Arbitration Association. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction over the award.

Section 15. Attorneys' Fees.

If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorney's fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Section 16. Execution.

This Agreement, having been reviewed and duly approved by the parties, they each intending to be bound by it, in accordance with each and every term, and representing to each other that they have all requisite authority, they have subscribed this Agreement below, with the signatures of their duly authorized representatives.

BALANCING AUTHORITY OF NORTHERN CALIFORNIA

By _____

Paul Hauser, Chair

CONTRACT EXECUTIVE

By _____

James R. Shetler, Principal, Adirondack Power Consulting, LLC

APPROVAL DRAFT

Exhibit A

Contract Executive agrees to procure insurance pursuant to the following minimum coverage amounts, for which Contract Executive will be recompensed by the BANC. The BANC shall be included as an additional insured:

Professional Liability Insurance	\$1,000,000 aggregate
General Commercial Liability	\$1,000,000 per occurrence
Damage to Premises	\$1,000,000 per occurrence
Medical Expenses	\$10,000, any one person
Personal Injury	\$1,000,000 aggregate
General Comprehensive	\$2,000,000 aggregate

APPROVAL DRAFT

Exhibit B

SCOPE OF WORK

General Manager

Contract Executive's Designated Employee: James Shetler

1. Management of BANC: Oversee the day-to-day management of the BANC organization, including:
 - a. Oversight of the BA contract operator (SMUD),
 - b. Oversight of the BA compliance function (SMUD),
 - c. Oversight of BANC Entity function (SMUD),
 - d. Oversight of EDAM Entity function (SMUD),
 - e. Oversight of PC function (SMUD),
 - f. Oversight of the BANC legal contracts,
 - g. Oversight of treasury, accounting, and other support services,
 - h. Coordination and development of BANC member relations.
2. Future Direction of BANC: Develop options, based upon BANC Commission direction, for:
 - a. BANC becoming a more "independent" BA operation,
 - b. BANC acquiring assets that support its BA mission.
3. Industry Relations: Serve as a representative of BANC in appropriate industry forums, including but not limited to:
 - a. CAISO, regarding BA agreements and operations, market issues, and other industry matters,
 - b. WECC, regarding standards development and enforcement and transmission coordination issues,
 - c. RC West, or successor RCs, regarding coordination of BA operations with the RC and IA functions,
 - d. NERC, regarding standards development and enforcement that impacts BA operations,
 - e. WPP, regarding power pool operations and related matters,

- f. WAPA, regarding the interface and coordination of BA and market activities,
- g. TANC, regarding the interface and coordination of BA activities,
- h. FERC, regarding standards development and enforcement that impacts BA operations or EIM related activities,
- i. CMUA, and WEIL regarding coordination of regional issues,
- j. Other EDAM Entities, and utility partners in Western markets,
- k. Engagement with applicable regulators,
- l. Interface with the Western Governance Pathways Initiative Launch Committee and successor Regional Organization efforts.

APPROVAL DRAFT