

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, January 29, 2025

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 **January 29, 2025 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:** 811 4192 3593 **Passcode:** 877939

Meeting Link: <https://us06web.zoom.us/j/81141923593?pwd=f8Y7VKbbwJaiAgTI9Tumml7lbbISC0.1>

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 address(es) where Commissioners may also join the meeting:

City of Shasta Lake
3570 Iron Court
Shasta Lake, CA 96019

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 November 20, 2024.
 - B. BANC Operator Reports (November and December).
 - C. Compliance Officer Reports (December and January).
 - D. PC Committee Chair Reports (December and January).
 - 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. Strategic Plan Updates.
 - iii. 2025 WECC Audit Update.
 - B. 2025 BANC Budget Review.
 - i. Resource Committee support for RA Development – Base Budget Discussion.
 - ii. Consider and Possibly Approve Resolution 25-01-01 *Approval of 2025 Annual Budget for BANC*
 - C. 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. ER25-951-000.
- 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 November 20, 2024 BANC Regular Meeting.**
- B. BANC Operator Reports (November and December).**
- C. Compliance Officer Reports (December and January).**
- D. PC Committee Chair Report (December and January).**
- 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)

November 20, 2024

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held at 2377 Gold Meadow Way, 1st Floor Conference Room, Gold River, CA 95670.

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)	Chris Hofmann, Alternate
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Paul Hauser, Chair

Other Participants:

Jim Shetler	General Manager
Justin Wynne	General Counsel
Kris Kirkegaard	General Counsel Support
Jeanne Haas	Western Area Power Administration

1. Call to Order and Verification of Quorum: Mr. Shetler confirmed that there was a quorum to proceed; attendance is noted above. Chair Hauser called the meeting to order at 2:00 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 (Zettel/Forsythe) to **approve the Consent Agenda**. Motion carried by a unanimous vote. (Absent: Commissioner Takehara).

5. Regular Agenda Items.

A. General Manager Updates:

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

Mr. Shetler overviewed activities of the EIM Committee and EDAM Implementation, noting that BANC’s EDAM Implementation Agreement will be non-conforming and requires FERC approval. Additionally, a possible BANC budget adjustment related to the Power Settlements contract may be brought forward at a future meeting.

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

Mr. Shetler also provided an update on the West-wide Governance Pathways Initiative, SPP Markets+, and WRAP/WPP. Commissioner questions were addressed by Mr. Shetler.

ii. Key Initiatives Update.

Mr. Shetler provided updates on the IRP Summary Report, RA Policy Development, and Resource Procurement initiatives and answered questions from the Commission.

B. Consider and Possibly Approve Resolution 24-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2024 Transmission Planning Assessment.

Mr. Shetler introduced Janice Zewe, Planning Coordinator Committee Chair, who overviewed the BANC PC Area 2024 Ten-Year Transmission Planning Assessment for the Commission. There were no questions.

ACTION: M/S (Caballero/Forsythe) to **approve Resolution 24-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2024 Transmission Planning Assessment.** Motion carried by a unanimous vote.

C. Consider and Possibly Approve Resolution 24-11-02 Resolution Setting the Regular Meeting Dates for 2025.

Mr. Shetler introduced this item, noting that BANC coordinates with other JPAs on this schedule. There were no questions from the Commission.

ACTION: M/S (Zettel/Caballero) to **approve Resolution 24-11-02 Resolution Setting the Regular Meeting Dates for 2025.** Motion carried by a unanimous vote.

D. Consider and Possibly Approve Resolution 24-11-03 Approval of BANC Internal Compliance Program Charter – 2024 Updates.

Mr. Shetler introduced James Leigh-Kendall, who overviewed minor updates to these documents. He also overviewed the upcoming WECC Audit schedule and answered questions from the Commission.

ACTION: M/S (Forsythe/Zettel) to **approve Resolution 24-11-03 Approval of BANC Internal Compliance Program Charter – 2024 Updates.** Motion carried by a unanimous vote.

E. Member updates.

Commissioner Zettel noted that Redding was taking steps toward a LOI for a solar PPA, looking at executing a storage agreement, expecting to release a local RFP for solar and storage, reviewing proposed rate increases with counsel, filling staffing vacancies, and replacing aging underground conductor. Alternate Commissioner Forsythe shared that Roseville recently received a positive rating, took ownership of additional units on November 1st, and has put out an RFP for a local solar project. Commissioner Takehara noted that Shasta Lake is also looking at solar/storage projects in cooperation with Redding, and they are also looking at city-connected solar storage. Commissioner Hauser noted that Trinity's energy charge was just reduced by approximately 18%. Commissioner Caballero shared that MID is in advanced PPA negotiations on two projects and they are talking to multiple developers regarding local solar/storage projects. Finally, Mr. Shetler noted that he currently does not have any items for a December meeting; if a meeting is not needed, an adjournment notice will be sent out.

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

The Commission adjourned at 3:13 p.m.

Minutes approved on January 27, 2025.

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 November 2024

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
 - 0 Qualifying Event(s)
 - 0 MW Qualifying Event request
 - 0 MW average generation lost
 - 0 MW maximum generation lost
 - Generating unit(s) and date(s) affected: None
 - All recoveries within 0 minutes
- USF
 - 7 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: 0 Minutes
 - 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
 - Q3 Frequency Response Measure (FRM): -85.6 MW/0.1Hz
 - Q3 Number of Under-Performed Events: 0 out of 2
 - Q1~Q3 Frequency Response Measure (FRM): -67.1 MW/0.1Hz
 - Q1~Q3 Number of Under-Performed Events: 0 out of 8

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



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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

TO: BANC Commission

RE: BANC Operator Report for December 2024

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
 - 1 Qualifying Event(s)
 - 0 MW Qualifying Event request
 - 207 MW average generation lost
 - 207 MW maximum generation lost
 - Generating unit(s) and date(s) affected:
Sutter Energy Center, 12/18/2024
 - All recoveries within 4 minutes
- USF
 - 1 of 31 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: 3 Minutes
 - 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
 - Q3 Frequency Response Measure (FRM): -85.6 MW/0.1Hz
 - Q3 Number of Under-Performed Events: 0 out of 2
 - Q1~Q3 Frequency Response Measure (FRM): -67.1 MW/0.1Hz
 - Q1~Q3 Number of Under-Performed Events: 0 out of 8

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

December 2024

The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified on a future 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.
- A WECC Notice of Compliance Exception (CE) Letter was received on November 27, 2024 for BANC's BAL-004-WECC-3 R1 (accumulated Primary Inadvertent Interchange) self-log. WECC notified BANC that no enforcement action will be pursued, as they determined that minimal risk was posed to the reliability of the Bulk Power System, and appropriate mitigation has been or will be completed by the expected completion date.
- BANC's 2025 Entity Monitoring Schedule (WECC):
 - BANC/SMUD continues discussions with WECC regarding audit scope reduction through use of the 'work of others,' such as the work performed during the mock audit. The scope will not be finalized until receipt of the Audit Notice Package.
 - 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, January 27th via teleconference.

Compliance Officer Report

BANC Commission Meeting

January 2025

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.
- BANC's 2025 Entity Monitoring Schedule (WECC):
 - BANC and SMUD received the Audit Notice Package on January 10, 2025.
 - The WECC Compliance Audit is scheduled to take place May 12 - 23, 2025 (off-site and on-site weeks.)
 - James Leigh-Kendall will provide an audit update at the January Commission meeting.

BANC MCRC:

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 27th via teleconference.

PC Committee Chair Report

BANC Commission Meeting

December 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 a future 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 revised the BANC PC FAC-014-3 documented process based on the 2024 mock auditor's recommendation to comply with the revised FAC-014-3, R6 which became effective on April 1, 2024. In addition, the first FAC-014-03 report was drafted and shared with BANC PC Participants during the review process. All comments from BANC PC Participants were incorporated. Both the revised documented process and the new report are currently with the compliance department for a final review and will be finalized and sent out by the end of December following distribution of the TPL-001-5 report.
- MOD-031-3 Demand and Energy Data – Staff is initiating the WECC 2025 Loads and Resources data request process. This data request will be emailed to PC Participants and WASN by December 13th for their input by January 31, 2025.
- MOD-033-2 Model Validation – MOD-033-2 has been completed and the report draft is out for review with a due date of December 13.
- PRC-010-2 - Undervoltage Load Shedding – Staff completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on September 19th with a due date of November 1st, along with an updated version of Roseville's UVLS scheme. The due date for the final report is December 20th.
- TPL-001-5.1 Transmission System Planning Performance –The known outage study and the short circuit study are being performed for SMUD.
- 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 done by the 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	95%	Staff updated the BANC PC FAC-014-3 documented process and associated report to address comments shared during the review process. The documents are now with the compliance department for a final review and will be finalized by the end of December following the finalization of the TPL-001-5 report.
4	IRO-017-1 Outage Coordination	0%	Awaiting 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. Staff is initiating the 2025 WECC Loads and Resources data request process. The data request will be emailed to PC Participants and WASN by 12/13/2024 for their input by 01/31/2025.
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	95%	MOD-033-2 has been completed and the report draft is out for review with a due date of 12/13/2024.
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 all 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 the BANC PC as needed.

	PC Standard	Estimated % Complete	Notes
9	PRC-010-2 Undervoltage Load Shedding	95%	Staff completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on 9/19/2024, and comments were due by 11/1/2024. The due date for the final Report is 12/20/2024.
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 01/01/2026.
11	PRC-023-6 Transmission Relay Loadability	100%	Staff incorporated comments received for the draft report and shared the finalized 2024 BANC PC PRC-026-2 with PC Participants on 10/11/2024.
12	PRC-026-2 Relay Performance During Stable Power Swings	100%	Staff incorporated comments received for the draft report and shared the finalized 2024 BANC PC PRC-026-2 report with PC Participants on 10/11/2024.
13	TPL-001-5 Transmission System Planning Performance	99%	Known outage and short circuit studies for SMUD are being performed.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	50%	Staff is performing a 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.

PC Committee Chair Report

BANC Commission Meeting

January 2025

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 - The first FAC-014-03 report was finalized and distributed with the finalized TPL-001-5 report because the FAC-014-3 report utilizes and refers to the assessments performed for the TPL-001-5. The revised BANC PC FAC-014-3 documented process based on the 2024 mock auditor's recommendation to comply with revised FAC-014-3, R6 was posted on the BANC website on December 31st. Staff is currently working on an RSAW update to prepare for the 2025 WECC audit in May of 2025.
- MOD-031-3 Demand and Energy Data – The 2025 WECC Loads and Resources data and narrative responses have been requested from BANC PC Participants and WASN, and this information is due back to the BANC PC by February 12th.
- MOD-033-2 Model Validation – MOD-033-2 has been completed and the report was finalized.
- PRC-010-2 - Undervoltage Load Shedding – Staff completed performing the once in every five years UVLS assessment study. The final Report was issued on December 24, 2024.
- PRC-012 Remedial Action Schemes Assessment – Staff performed a comprehensive “once in every 60 calendar months” Remedial Action Scheme (RAS) assessment to demonstrate that the BANC PC portion of the Bulk Electric System (BES) meets all performance and other requirements specified in the NERC Reliability Standard PRC-012-2, R4. Staff is currently developing a study plan, and a final study report will be completed by December 31, 2025.
- TPL-001-5.1 - Transmission System Planning Performance – BANC assessment was completed and distributed to neighboring entities on December 26, 2024. Staff is currently working on an RSAW update in preparation for the 2025 WECC audit in May of 2025.
- 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 was not included and performed by WECC for the 2022 GMD study. The study is expected to be completed by January 15th.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-4 Interconnection Studies	0%	There were 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. A new solicitation will go out to determine the status of any new qualified changes for 2025.
2	FAC-014-3 Establish and Communicate SOLs	0%	Staff distributed the final BANC PC FAC-014-3 documented process based on the 2024 mock auditor's recommendation to comply with the revised FAC-014-3, R6 on 12/31/2024. In addition, the first FAC-014-03 report was also finalized and shared along with the finalized TPL-001-5 report in this distribution, as the FAC-014-3 report refers to the assessments performed for the TPL-001-5 in the FAC-014-3 report.
3	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2024 annual assessment to send to the Reliability Coordinator.
4	MOD-031-3 Demand and Energy Data	25%	Staff completed the 2024 Loads and Data request cycle. Staff is now initiating the process of the 2025 Loads and Resources data request from WECC. This data request will be emailed to PC participants and WASN by 12/13/2024 for their input by 01/31/2025.
5	MOD-032-1 Data for Power System Modeling & Analysis	50%	Ongoing activity. Data requests to fulfill 13-month cycle for compliance.
6	MOD-033-2 System Model Validation	100%	MOD-033-2 has been completed and the report was finalized.
7	PRC-006-5 Underfrequency Load Shedding	0%	Staff continues to participate in WECC Under-Frequency Load Shed Working Group representing BANC PC as necessary.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff completed performing the UVLS assessment studies. A draft version of the report was sent to Roseville for review and comments on 9/19/2024 and the final Report was issued on 12/24/2024.

	PC Standard	Estimated % Complete	Notes
9	PRC-012-2 Remedial Action Schemes	10%	Staff will perform a comprehensive “once in every 60 calendar months” Remedial Action Scheme (RAS) assessment to demonstrate whether the BANC PC portion of the Bulk Electric System (BES) meets all performance and other requirements specified in the NERC Reliability Standard PRC-012-2, R4. A final study report will be completed by 12/31/2025.
10	PRC-023-6 Transmission Relay Loadability	0%	Staff will start a new assessment next month with a study plan.
11	PRC-026-2 Relay Performance During Stable Power Swings	0%	Staff will start a new assessment next month with a study plan.
12	TPL-001-5 Transmission System Planning Performance	100%	BANC assessment was completed and sent to neighboring entities on 12/26/2024
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	70%	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 01/15/2025.

GM Report

BANC Commission Meeting

January 29, 2025

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 and day-ahead market issues. We continue to interact on an informal basis to make sure we are aligned on 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 and other market design issues (e.g.- SPP Markets+).

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports show that BANC is seeing benefits from EIM participation, with the 3rd Quarter 2024 report showing gross benefits of \$48.78 million for BANC, with a total of \$734.58 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.

EDAM Participation

FERC approved the EDAM/DAME tariff on 12/21/23 with the exception of the Access Charge. In its order, FERC 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 on TRR with FERC on April 12, 2024, which was approved by FERC on June 12, 2024. In October, CAISO filed another tariff

amendment that would allow the use of inter-SC trades by EIM and EDAM entities. FERC approved the amendment on December 23, 2024. This will resolve an issue for WAPA-SNR.

A group of Western state regulators (AZ, CA, NM, OR, and WA) sent a letter to CREPC/WIRAB in July 2023 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 voluntary 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 WEM 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. On 11/8/24 the combined boards approved the necessary documentation to allow the Step 1 primary authority model to move forward once the level of EDAM Implementation Agreement signatories reaches the designated threshold value and FERC approvals are received. The CAISO filed the tariff changes with FERC for the Step 1 proposal. The Launch Committee issued a final draft of the Pathways Step 2 proposal on November 15 and at a public meeting on November 22 approved the Step 2 proposal. Step 2 would move oversight of market design to the sole authority of a new independent Regional Organization board. The BANC General Manager has been asked to participate in the Formation Committee which will work with the CAISO to move forward with creation of the proposed Regional Organization for Step 2. The Formation Committee initiated its discussions in January 2025.

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 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 2024, BANC adjusted its implementation plan consistent with the WAPA-SNR decision-making process and assumes moving from a Spring 2026 to Spring 2027 implementation. With WAPA's October approval to allow SNR to finalize negotiations on EDAM participation, staff is moving forward with EDAM Implementation. The EDAM Implementation Agreement has been executed with the CAISO, though it will require FERC approval due the Agreement being non-conforming with the EDAM tariff in order to accommodate some unique BANC issues. Staff is providing an updated implementation schedule to the EDAM participants during the EIM Committee meeting in January 2025.

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. FERC approved the SPP Markets+ tariff at its meeting on January 16, 2025. It is our understanding that entities in the West that are supportive of Markets+ (e.g. – APS, SRP, and BPA) are in the process of seeking approvals to fund the next phase of the development. SPP has indicated that "go-live" for Markets+ will be delayed until 2027.

WAPA:

Market Engagement

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

As noted above, the WAPA administrator issued her decision in late October to allow SNR to move forward with finalizing negotiations to participate in EDAM. WAPA-SNR has subsequently approved the funding agreement with BANC for their participation in the 2025 efforts. BANC is working with WAPA-SNR to facilitate their implementation efforts.

WECC

WECC Board Meetings

The last set of Board and committee meetings were held on December 10-11, 2024, in Salt Lake City, UT. The next set of meetings will be March 11-12, 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. The amended tariff was filed at FERC in December 2024.

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 (2025) and a 20-year plan the second year (2026).

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 in 2025, but it will be delayed to later in the year. 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 2024/2025 Strategic Initiatives are attached to this report.

BANC 2024/2025 Strategic Plan - Routine Initiatives - January 2025 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 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	CEC Pathways Workshop: 1/24
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	SMUD provided estimate to develop IRP report
10 High		Upgrade BANC RA Program	Jim S./Res. Comm.	4th Qtr. 2025	BANC RA symposium rescheduled for 1/30/25
11 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2024/2025 Strategic Plan - Focused Initiatives - January 2025 Update

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	EDAM IA executed and filed at FERC
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	Formation Committee efforts initiated
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 5B

1. **Resolution 25-01-01 *Approval of Amendment to 2025 Annual Budget for BANC.***
2. **Attachment A to Resolution 25-01-01: *2025 BANC Budget Amendment - January 2025.***



BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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

01/21/25

To: BANC Commission
From: BANC General Manager
RE: 2025 BANC Budget Amendment – January 2025

Staff is requesting consideration of two amendments to the 2025 BANC Budget and approval for the latter, as follows:

Base Budget, Resource Committee Support: This \$100,000 budget item is intended to cover consultant support for development of a BANC summary IRP report and of a more formal Resource Adequacy (RA) program for BANC. Staff has determined that there is an opportunity for some additional consultant study work to evaluate, along with other EDAM participants, the value of an RA program within the EDAM market footprint. It is estimated that BANC's share of this effort would be in the ~\$50,000 range. Staff plans on using Base Budget contingency funds to cover this additional cost, which is within the General Manager's delegated authority under the approved budget. No Commission action is being requested at this time.

PA-8: EDAM Implementation: SMUD staff has negotiated a discount for implementation support from Power Settlements under their software development support for EDAM. This discount was already assumed in the overall development of the EDAM Implementation budget. However, Power Settlements is requesting that \$550,000 of this software support be paid in 2025. This was not budgeted in 2025, as Staff originally assumed that this would be expended in 2026 and 2027. Staff is requesting that the Commission approve an amendment to the PA-8 budget to allow for expending these funds in 2025, as further detailed in Resolution 25-01-01 and its Attachment A. This results in the following participant increases in PA-8 expenditures for 2025:

- SMUD = \$354,200
- MID = \$85,800
- WAPA = \$40,150
- Roseville = \$37,950
- Redding = \$31,900

This change does not increase the total assumed costs for Power Settlements for EDAM support nor the total EDAM Implementation budget.

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

**Balancing Authority of Northern California
Resolution 25-01-01**

APPROVAL OF AMENDMENT TO 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 BANC Commission, together with Western Area Power Administration – Sierra Nevada Region (“WAPA-SNR”), has agreed to participate in the Extended Day Ahead Market (“EDAM”) with a go-live date of Spring of 2027; and

WHEREAS, participation in EDAM requires contracts with several software vendors; and

WHEREAS, for certain system development work, SMUD staff has negotiated a discount for implementation support from Power Settlements Consulting and Software, LLC, under their software development support for EDAM; and

WHEREAS, while budgeted for in the overall EDAM budget, there are changes to the timing of expenditures under the budget for PA-8: EDAM Implementation, requested by said vendor; and

WHEREAS, while not increasing overall costs, shifting expenditures from later years into 2025 necessitates changes to the 2025 budget, including an update to the 2025 BANC Member Assessments resulting from these changes; and

WHEREAS, the General Manager has prepared Attachment A, 2025 BANC Budget Amendments – January 2025, which incorporates these revisions 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 BANC Budget Amendment in the form attached hereto as Attachment A.
2. Direct the General Manager to prepare an Amended 2025 Annual Budget for BANC to incorporate this Amendment.
3. Direct the BANC Treasurer to assess each BANC Member in accordance with Resolution 12-02-03.

**Balancing Authority of Northern California
Resolution 25-01-01**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 29th day of January, 2025, 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

ATTACHMENT A TO RESOLUTION 25-01-01

9. Participation Agreement # 8 (PA-8) – EDAM Implementation (Amended 1/29/25)

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. Based upon contract with Power Settlements, agreement to move initial \$550,000 of charges from 2026/2027 to Pre-implementation support in 2025. No change in overall Power Settlements cost estimate or total EDAM Implementation cost estimate.

f. 8 months of Advisory support and 4 months of Pre-implementation support in 2025.

g. 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

ATTACHMENT A TO RESOLUTION 25-01-01

IMPLEMENTATION CATEGORY	Option 2 Spring 2027 Go-Live	SMUD 64.4%	MID 15.6%	WAPA-SNR 7.3%	ROSEVILLE 6.9%	REDDING 5.8%
Advisory Effort (8 months)	\$ 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 Management (Percipio)	\$ 80,000.00					
~BANC	\$ 40,000.00					
~SMUD	\$ -	\$ 40,000.00				
~CAISO Implementation Fee	\$ 300,000.00					
Pre-Implementation Effort (4 mo)	\$1,155,750.00	\$ 813,203.00	\$180,297.00	\$ 84,369.75	\$ 79,746.75	\$ 67,033.50
~Utilicast Support	\$ 174,850.00					
~Legal Support	\$ 62,000.00					
~Project Management (Percipio)	\$ 137,800.00					
~BANC	\$ 68,900.00					
~SMUD	\$ -	\$ 68,900.00				
~Power Settlements SW Fee	\$ 550,000.00					
~CAISO Implementation Fee	\$ 300,000.00					
Total Estimate	\$1,867,150.00	\$1,209,013.00	\$266,487.00	\$174,702.25	\$117,869.25	\$ 99,078.50
Contingency @~10%	\$ 186,715.00	\$ 120,901.30	\$ 26,648.70	\$ 17,470.23	\$ 11,786.93	\$ 9,907.85
TOTAL	\$2,053,865.00	\$1,329,914.30	\$293,135.70	\$192,172.48	\$129,656.18	\$108,986.35

ATTACHMENT A TO RESOLUTION 25-01-01

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
SMUD	\$1,872,261.92	\$164,375.00	\$ -	\$113,601.60	\$2,817,994.36	\$1,329,914.30	\$152,418.00	\$6,450,565.18
MID	\$459,811.07	\$98,625.00	\$ -	\$27,518.40	\$738,879.84	\$293,135.70	\$23,541.00	\$1,641,511.02
ROSEVILLE	\$204,330.41	\$34,518.75	\$35,433.84	\$12,171.60	\$301,913.68	\$129,656.18	\$9,376.50	\$727,400.95
REDDING	\$131,799.88	\$31,231.25	\$ -	\$10,231.20	\$310,052.44	\$108,986.35	\$11,770.50	\$604,071.62
SHASTA LAKE	\$38,159.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,394.00	\$40,553.72
TPUD	\$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	\$1,861,692.53	\$199,500.00	\$9,489,102.49
WAPA-SNR	\$ -	\$ -	\$ -	\$12,877.20	\$317,458.68	\$192,172.48	\$ -	\$522,508.35
GRAND TOTAL	\$2,731,363.00	\$328,750.00	\$35,433.84	\$176,400.00	\$4,486,299.00	\$2,053,865.00	\$199,500.00	\$10,011,610.84