

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC and Strategic Planning Session

**1:00 P.M.
Wednesday, August 27, 2025
555 Capitol Mall, Suite 100
Sacramento, CA 95814**

Balancing Authority of Northern California

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting and strategic planning session of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **August 27, 2025** at **1:00 p.m.** at **555 Capitol Mall, Suite 100, Sacramento, CA 95814.**

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 July 23, 2025.
 - B. BANC Operator Reports (July).
 - C. Compliance Officer Reports (August).
 - D. PC Committee Chair Reports (August).
 - E. General Manager's Report and Strategic Initiatives Update.
 - 5 BANC Strategic Planning Session.**
 - A. "Balancing Reliability, Affordability, and Sustainability in an Uncertain Environment" Panel Discussion – Melanie Frye, WECC President & CEO; Jim Robb, NERC President & CEO.
 - B. Review of BANC Strategic Initiatives & Discussion on New Initiatives.
 - C. Review Action Items.
- BREAK ---**
- 6 Regular Agenda Items – Discussion and Possible Action.**
 - A. Consider and Possibly Approve Resolution 25-08-01 *Approval of Revised Participant Percentages and Cost Allocation Agreement Using Net Energy for Load.*
 - B. Discussion on Draft 2026 BANC Annual Budget.
 - C. Member Updates.
 - 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, 2600 Capitol Avenue, Suite 400, Sacramento, CA 95816 or to administrator@braunlegal.com.

Balancing Authority of Northern California

Consent Agenda Items

- A. Minutes of the July 23, 2025 BANC Regular Meeting.**
- B. BANC Operator Reports (July).**
- C. Compliance Officer Reports (August).**
- D. PC Committee Chair Report (August).**
- 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)

July 23, 2025

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held at 2600 Capitol Avenue, Suite 400, Sacramento, CA 95816.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	Martin Caballero, Acting Chair
City of Redding	Nick Zettel, remote
City of Roseville	Shawn Matchim, Alternate
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara, remote
Trinity Public Utilities District (TPUD)	Absent

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kris Kirkegaard	General Counsel Support

1. Call to Order and Verification of Quorum: A quorum was confirmed; attendance is noted above. Acting Chair Caballero called the meeting to order at 2:01 p.m.
2. Matters Subsequent to Posting the Agenda: Mr. Shetler noted that item 5E would be pulled from the agenda and rescheduled for a future Commission meeting, as it requires “a unanimous vote of the Member Commissioners.”
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Alternate Chair Caballero invited comments from the Commission and a motion on the Consent Agenda; no comments.

ACTION: M/S (Lewis/Matchim) to approve the Consent Agenda . Motion carried by a unanimous vote of those present. (Absent: Commissioner Hauser).

5. Regular Agenda Items.

A. Appointment of Commission Chair in accordance with BANC JPA Section 11.4.

Mr. Shetler noted that Paul Hauser’s second term was ending, Commissioner Beans had nominated Alternate Commissioner Matchim, and Commissioners Caballero & Zettel were also willing to assume the role. Following discussion by the Commission, it was unanimously agreed by those present that Alternate Commissioner Matchim would assume the role for the next term.

B. General Manager Updates:

i. Market Updates – EIM, EDAM, Pathways, Markets+, WPP.

Mr. Shetler noted that the proposed 'transitional approach' and tariff amendment related to Congestion Revenue Allocation had been approved by the CAISO Board of Governors and Western Energy Imbalance Market (WEIM) Governing Body and filed at FERC. BANC filed supporting comments, and a FERC decision is pending. It currently appears that BANC, LADWP, TID, and PNM will be implementing EDAM in the fall of 2027. BANC is also continuing OATT discussions with WAPA and starting BANC business practices development. Mr. Braun noted that a coordination meeting was held with TID to discuss common issues.

Mr. Shetler shared brief updates on the West-wide Governance Pathways Initiative. With PNM signing its EDAM Implementation Agreement, Step 1 of Pathways implementation has been triggered, which transitions primary authority to the WEIM Governing Body. Additionally, CA SB540 is the legislation that would allow the IOUs and the ISO to participate in independent RO oversight. The legislation was voted out of senate and currently sits with the assembly, anticipating that it may come up for vote following the summer recess.

Regarding SPP Markets+, Mr. Shetler noted that SPP had secured funding for its next phase, still anticipating a 2027 go-live. He also gave an update on WPP, noting that WRAP participants must decide by October about whether to commit to a binding period in 2027-28 and that WRAP participation is a requirement to participate in Markets+. Finally, the WestTEC development effort has posted presentations outlining preliminary study results for their draft 10-year plan, and a 20-year plan is under development.

Questions from the Commission were addressed, and no action requested or taken.

ii. Strategic Plan Updates.

Mr. Shetler provided updates on the IRP Summary Report, RA Policy Development, and Resource Procurement initiatives. He noted that BANC general counsel is working with SMUD on a proposed master services agreement regarding development of an IRP summary report, and this is expected to be brought to the Commission for consideration at a future meeting. In the area of RA policy development, an item is on this agenda for consideration. Regarding resource procurement, Calpine is wrapping up its engineering evaluation, and BANC anticipates a review and determination about whether to move forward in the September timeframe. Additionally, a broader resource procurement RFP has been finalized, but the timing of issuance is in question. Input and questions from the Commission were addressed, and no action requested or taken.

iii. 2025 Strategic Planning Session updates – August 27, 2025.

Mr. Shetler shared logistics for the meeting, which will be held at Camden Spit & Larder (555 Capitol Mall, Suite 100), with lunch starting at 11:30 a.m. and the meeting expected to follow until ~4:30 p.m. The theme is "Balancing Reliability, Affordability, and Sustainability in an Uncertain Environment," and a panel discussion is anticipated. The goal will be to validate BANC's current initiatives and identify new areas of focus. Input from the Commission was requested. No formal action was requested or taken.

- C. Consider and Possibly Approve Resolution 25-07-01 *Authorization of Consultant Contract for BANC RA Program Development.*

Mr. Shetler overviewed the request for proposal and evaluation process. No comments or questions from the Commission.

ACTION: M/S (Lewis/Matchim) to **approve Resolution 25-07-01 *Authorization of Consultant Contract for BANC RA Program Development.*** Motion carried by a unanimous vote of those present. (Absent: Commissioner Hauser).

- D. Consider and Possibly Approve Resolution 25-07-02 *Approval of Revised 2025 Annual Budget for BANC.*

Mr. Shetler reviewed impacts to the EDAM budget resulting from the delay in the EDAM implementation date from Spring to Fall of 2027 and requested concurrence from the commission on the proposed schedule, scope and budget changes. Additionally, he mentioned the likely utilization of contingency dollars under his delegation for a proposed cost/benefit analysis related to COTP and EDAM in anticipation of outreach to TANC. Separately, SMUD has also requested a resource mix evaluation, to be funded by SMUD, under the Brattle contract. Questions from the Commission were addressed.

ACTION: M/S (Matchim/Lewis) to **approve Resolution 25-07-02 *Approval of Revised 2025 Annual Budget for BANC.*** Motion carried by a unanimous vote of those present. (Absent: Commissioner Hauser).

- E. Consider and Possibly Approve Resolution 25-07-03 *Approval of Revised Participation Percentages and Cost Allocation Methodology.*

This item was pulled from the agenda and will be rescheduled for consideration at a future Commission meeting.

- F. Discussion on Development of 2026 BANC Annual Budget.

Mr. Shetler overviewed expected impacts to the 2026 budget, including labor increases and additional resources to support a required GMD study and planned IRP evaluation, updates to the EDAM effort, the addition of an RA project expected to be completed in 2026, and potential Pathways funding. A draft 2026 budget is planned for inclusion in the August meeting packet for review and discussion with the Commission, with no action expected until a subsequent meeting.

- G. Member updates.

Alternate Commissioner Matchim shared updates on scheduled steam turbine maintenance in October and a scheduled outage related to the repower project with DWR at another plant. He also noted upward revisions to the run-time restrictions on units they acquired and mentioned planned debt issuance over the winter. Commissioner Caballero noted that they may have available capacity to offer to Roseville if needed during the October outages. He also gave updates related to S&P ratings. Alternate Commissioner Lewis shared that the SMUD board approved rate increases for 2026/27. Commissioner Zettel shared that they went to council last week for approval to participate in a project through NCPA called Trolley, which is a 400 MW battery storage project and noted that they are also looking for solar. Commissioner Takehara noted some recent large informal interconnection requests.

The Commission moved to closed session at 3:05 p.m. and adjourned from closed session at 3:30 p.m. where no action was taken.

Minutes approved on August 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 July 2025

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
 - 9 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: 2 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2025 Frequency Response Obligation (FRO): -18.7 MW/0.1Hz

Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

Modesto Irrigation District, City of Redding, City of Roseville, Trinity Public Utilities District,

8

City of Shasta Lake, and Sacramento Municipal Utility District

Compliance Officer Report

BANC Commission Meeting

August 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 have been submitted to WECC.
- BANC's 2025 Entity Monitoring Schedule (WECC):
 - The potential non-compliance (PNC) identified during the audit continues to move through the WECC process. Information will continue to be shared with the MCRC and the Commission as it becomes available.

BANC MCRC:

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, August 25th via teleconference.

PC Committee Chair Report

BANC Commission Meeting

August 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-002-4 – Facility Interconnection Studies – Staff is finalizing the BANC PC FAC-002-4 R6 Qualified Changes document afterwards and will have it posted on BANC PC member site and distribute it after the document is posted in August.
- FAC-014-3 - Establish and Communicate SOLs – Staff finalized the FAC-014-3 procedure that describes how the FAC-014-3 compliance actions process will be followed for BANC PC. Staff evaluated the 2025 Assessment results and there were no SOLs developed to address any deficiencies found during the assessment. Staff is now working on the draft report to document these findings and will share the draft with BANC PC Participants for review and comment by the end of September.
- MOD-033-2 Model Validation – MOD-033-2 model validation study will be started Fall of 2025 for both dynamic and steady state and completed by the end of this year.
- PRC-006-5 Automatic Underfrequency Load Shedding –BANC PC Participants submitted their 2025 ULFS data to use in response to the annual Southern Island Load Tripping Plan (SILTP) data collection coordinated by the Off-Nominal System Protection & Restoration (OFSPR). The OFSPR then compiled and sent the SILTP as a coordinated annual plan to WECC for PRC-006-5 compliance in an annual report for year 2025. Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island.
- PRC-012 Remedial Action Schemes Assessment – Staff will perform 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 Requirement 4. Staff sent out the study plan for comments and review. The final study report will be completed by December 31st. A survey on the BANC's member's RAS schemes was sent out early March.
- PRC-023-6 –The PRC-023-6 analysis did not identify any sub 200 kV circuits that PRC-023-6 applies to and BANC PC participants were communicated these results on

05/30/25. A draft report was created and reviewed by BANC PC participants. The finalized report was shared with industry stakeholders on August 15th.

- PRC-026-2 – The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BES BANC PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants on 08/01/25, and will be added to the upcoming 2025 BANC PC PRC-026-2 draft report. The draft report will be shared with BANC PC Participants for review and comment by the end of September.
- TPL-001-5.1 - Transmission System Planning Performance – Preliminary stability runs are being performed
- TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - Staff completed GMD voltage portion of the study to assess the GMD event's impact on the bulk system voltages and reactive power consumptions within the BANC PC participants' areas. The voltage portion of the study was not included in the WECC 2022 GMD study which only included the GIC portion of the study. The 2024 mock auditor recommended to perform the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12th.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-4 Interconnection Studies	95%	Staff is finalizing the BANC PC FAC-002-4 R6 Qualified Changes document after BANC PC review, and will have it posted on BANC PC website and distribute it after the document is posted. Staff also received responses from BANC PC Participants for a list of qualified changes for their system for years 2025-26 and any generation resource projects 20 MVA or more that are connected to 60 kV or above. There are no BES level projects requiring additional FAC-002 assessments.
2	FAC-014-3 Establish and Communicate SOLs	75%	Staff finalized the FAC-014-3 procedure that describes how the FAC-014-3 compliance actions process will be followed for BANC PC. Staff participated in Audit interviews for FAC-014-3 with WECC. Staff evaluated ratings and provided communication to impacted parties where BANC PC is using different ratings than RC West. Staff evaluated the 2025 Assessment results and there were no SOLs developed to address any deficiencies found during the assessment. Staff is now working on the draft report to document these findings and will share the draft with BANC PC Participants for review and comment by the end of September.
3	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2025 annual assessment to be sent to the Reliability Coordinator.
4	MOD-031-3 Demand and Energy Data	100%	The 2025 WECC Loads and Resources data and narrative response requests have been provided by BANC PC participants and WASN for data entry and narrative response, and this information was uploaded to WECC on 02/14/2025.
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	0%	MOD-033-2 study will be started in Fall of 2025 and the final report will be completed by the end of this year.

	PC Standard	Estimated % Complete	Notes
7	PRC-006-5 Underfrequency Load Shedding	85%	Staff continues to participate in WECC Under-Frequency Load Shed Working Group representing BANC PC as necessary. BANC PC Participants completed the 2025 ULFS data request for the annual Southern Island Load Tripping Plan (SILTP) coordinated by the Off-Nominal System Protection & Restoration (OFSPR). The OFSPR compiled the data and sent the SILTP as a coordinated annual plan to WECC for PRC-006-5 compliance in the annual report for 2025. Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff had 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.
9	PRC-012-2 Remedial Action Schemes	10%	Staff sent the study plan for review and comments. The final study report will be completed by 12/31/2025. A survey on the BANC member's RAS schemes was sent out early March.
10	PRC-023-6 Transmission Relay Loadability	100%	The study plans were finalized and distributed to BANC PC participants on 05/02/25 and staff has completed the powerflow assessment, and is drafting a report for BANC PC participant review. The report was reviewed by BANC PC participants. The finalized report was shared with industry stakeholders on 08/15/2025.
11	PRC-026-2 Relay Performance During Stable Power Swings	65%	The study plans were finalized and distributed to BANC PC participants on 05/02/2025. The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BES BANC PC elements that meet the requirement R1 Criteria 1-4 measures listed below after running the BANC PC Participant BES element contingencies based on NERC Standard TPL-001-5.1. This information was communicated to BANC PC Participants on 08/01/25, and will be added to the upcoming 2025 BANC PC PRC-026-2 draft report. The draft report will be shared with BANC PC Participants for review and comment by the end of September.

	PC Standard	Estimated % Complete	Notes
12	TPL-001-5 Transmission System Planning Performance	40%	Preliminary stability runs are being performed
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	90%	Staff completed GMD voltage portion of the study to assess the GMD event impact on the bulk system voltages and reactive power consumptions within the BANC PC participants' areas. The GMD voltage portion of the study was not included in the WECC 2022 GMD study which only included GIC portion of the study. The GMD additional voltage study report was sent out to the BANC PC participants on 3/12/2025.

GM Report

BANC Commission Meeting

August 27, 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 on an as needed basis regarding EIM participation and day-ahead market issues. We are holding periodic calls as appropriate to provide updates and discuss issues.

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 2025 report showing gross benefits of \$35.86 million for BANC, with a total of \$857.19 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 Markets (EIM) Committee. The recommendation regarding the need for a Seasonal funding adjustment to handle larger settlement values in the summer months was approved in May at the same funding level as 2024 and requests for funds have been issued to the participants. The proposal to have BANC participate in the CAISO EIM Assistance Energy Program as an additional reliability tool for the BAA was also approved in May and has been implemented.

EDAM Participation

As a result of comments received in the Pacificorp EDAM OATT filing at FERC, the CAISO initiated a stakeholder process to evaluate concerns raised regarding congestion revenue allocation. This resulted in an amendment to the EDAM tariff

which was approved for filing at FERC at the June joint CAISO Board of Governors and WEM Governing Body meeting.

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. BANC has been an active participant in the Western Markets Governance Pathways Initiative Launch Committee. The Launch Committee issued a draft proposal on April 10, 2024, outlining a stepwise approach to independent oversight over CAISO markets. The Launch Committee approved the Step 1 proposal which recommended WEM Governing Body primary authority over market rules on 5/31/24. 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, which have been approved by FERC. The designated threshold for Step 1 was reached when Public Service of New Mexico signed an Implementation Agreement in July and primary authority by the WEM Governing Body has been implemented.

The Launch Committee approved a final draft of the Pathways Step 2 proposal on November 22, which would move oversight of market design to the sole authority of a new independent Regional Organization board. The BANC General Manager is participating in the Formation Committee which is working 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 and is currently finalizing its scope, schedule, and budget for this effort. California legislation (SB540) that would allow the Step 2 proposal to be implemented has been filed at the California Legislature. An amended version of the bill was voted out of the Senate and is now in the Assembly. BANC is coordinating with CMUA and other entities to propose amendments to the bill to bring it back in line with the original Pathways recommendation.

The BANC EDAM Implementation project is moving forward. The EDAM Implementation Agreement has been executed with the CAISO and was approved by FERC in January. Based upon the CAISO decision to move EDAM go-live for the 2027 entities to the fall, BANC has revised the schedule and budget for the project and obtained Commission concurrence at its July meeting.

Other Market Developments

In parallel with the EDAM process, SPP is moving forward with its “Markets+” effort to support interested utilities in the West with a range of market options from EIM to full RTO services. SPP filed the Markets+ tariff at FERC on March 29, 2024. FERC approved the SPP Markets+ tariff at its meeting on January 16, 2025. BPA has issued

its draft decision letter supporting Markets+ participation. SPP has indicated that “go-live” for Markets+ is currently forecasted for 2027. SPP announced that it has secured sufficient funding to move forward with the next phase of Markets+ development.

WAPA:

Market Engagement

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

BANC is working with WAPA-SNR to facilitate their EDAM implementation efforts including assisting with OATT development.

WECC:

WECC Board Meetings

The last set of Board and committee meetings were held on June 10-11, 2025, in Salt Lake City, UT, which the BANC General Manager attended. The next set of meetings will be September 17-18, 2025, in Salt Lake City, UT, which will be the annual meeting.

Western Power Pool (WPP):

Western Resource Adequacy Program (WRAP)

BANC continues to monitor development of the WRAP and hold periodic discussions with WPP regarding their development efforts. The WRAP participants recently formally voted to extend the binding date to 2027. Based upon this request, WPP filed an amended WRAP tariff at FERC in December 2024 which was approved by FERC in January 2025. WPP is seeking commitments from its participants by 10/31/25 to participate in the binding period starting in 2027.

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 and implementation is moving forward. They are currently envisioning a 2.5-year process with an initial 10-year plan to be issued in 2025 and a 20-year plan in 2026. The draft 10-year plan has been posted for comment.

CDWR Delta Pumping Load:

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 discussions, the POU BAAs hired a consultant via CMUA to assist in this effort. BANC is working with IID, LADWP, and TID to coordinate our engagement in this effort. The CEC has reached out to the POU BAAs to discuss the status of their modeling efforts with an initial meeting held on 3/28/25. We expect additional meetings with the CEC as it prepares its final triennial report, which is now not scheduled until later this year.

Western Electricity Industry Leaders (WEIL) Group:

The WEIL CEOs last met on February 21, 2024, in San Diego, CA. The next meeting of the WEIL group is planned for September 26, 2025, in Portland, OR.

Strategic Initiatives:

The 2024/2025 Strategic Initiatives are attached to this report.

BANC 2024/2025 Strategic Plan - Routine Initiatives - August 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 Summer Readiness Workshop: 5/2
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W	Ongoing	Meeting held 6/24 on EDAM coordination & Sutter CCS
8 Medium	ASSETS	Monitor RA development in WI	Jim S./BB&W/Res. Com.	4th Qtr. 2025	WRAP tariff amendments approved by FERC in Jan.
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	Commission approved selection of Brattle
11 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2024/2025 Strategic Plan - Focused Initiatives - August 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	Oct-27	Finalized schedule/budget for fall 2027 Go Live
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	Attending Western Energy Summit - Boise, ID 8/20-22
16 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, WWGPI, & etc.	Jim Shetler/BB&W	Ongoing	Formation Committee efforts ongoing
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	Forecast Calpine update 3rd Qtr. 2025
19 High		~ Develop/issue BANC resource solicitation	Jim S./BB&W/Res. Com.	2nd Qtr. 2025	Finalizing RFP
20 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 6A

1. ***Resolution 25-08-01 Approval of Revised Participant Percentages and Cost Allocation Agreement Using Net Energy for Load.***

Braun Blaising & Wynne, P.C.

Attorneys at Law

8/21/2025

To: BANC Commission
From: BANC Counsel
RE: NEL vs. Retail Load for Calculation of Base Budget Allocations

BANC Staff and members have discussed modifying the methodology to determine Participation Percentages that are used to allocate certain BANC costs. This Participation Percentage must be determined annually in accordance with the BANC Joint Powers Agreement (“JPA”). The JPA also specifies use of data from the Energy Information Agency (“EIA”), except upon certain conditions. The issue identified by BANC Staff is that production of the EIA data lags budget schedules of both BANC and members, causing delay and additional administrative burdens.

BANC Staff brought this issue to the Commission in May, 2025, for discussion, including options that would work without requiring amendments to the Joint Powers Agreement. As discussed previously, all other BANC cost allocations are based upon the Western Electricity Coordinating Council Net Energy for Load (“NEL”), which is also commonly used to allocate costs for other services, for example for Reliability Coordinator services provided by RC West. Using NEL would simplify the development of the BANC annual budget and member planning.

Based upon a review of the current JPA, it is our opinion that this can be done without amendment to that agreement. Although Section 10.1 of the JPA requires use of loads reported to the EIA, it does allow a metric to be selected from another governmental agency, or an alternative methodology as unanimously agreed to by the Commission.

Thus, if members agree by contract, which must be passed unanimously by the Commission pursuant to the terms of the JPA Participation Percentages can be crafted outside of the provisions of Section 10.1.

Attached therefore is a draft agreement between and among BANC and its members to memorialize use of NEL in lieu of EIA data to determine Participation Percentages. We ask that the Commission approve this agreement in substantially final form, and direct the BANC GM and BANC counsel to finalize for execution by BANC and members.

**Balancing Authority of Northern California
Resolution 25-08-01**

**APPROVAL OF REVISED PARTICIPANT PERCENTAGES AND COST ALLOCATION AGREEMENT
USING NET ENERGY FOR LOAD**

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 JPA Section 4.23 defines Participation Percentage; and

WHEREAS, JPA Appendix 1 sets forth a specific methodology for determining and updating each Member's Participation Percentages that are based on information from the Energy Information Agency ("EIA"); and

WHEREAS, JPA Section 10.2 provides that "Unless otherwise determined by separate agreement between BANC and a Member, as authorized by unanimous vote of the Member Commissioners, each Member shall pay for the General and Administrative Costs associated with all operations of BANC in proportion to their Participation Percentage"; and

WHEREAS, the General Manager has shared the challenges associated with obtaining timely updates to retail load data to allow for annual adjustments to the BANC budget and also provided the Commission with information regarding the use of Net Energy for Load (NEL) published by the Western Electricity Coordinating Council, in lieu of using Participation Percentages derived from EIA data, and discussed this option during prior Commission meetings; and

WHEREAS, BANC General Counsel has outlined options to enable use of NEL in lieu of EIA data, without triggering amendments to the JPA; and

WHEREAS, based on input and direction from the Commission, the General Manager has directed that a cost allocation agreement be developed that that calls for all General and Administrative costs associated with all operations of BANC be determined based on Participation Percentages based derived using NEL; and

WHEREAS, a draft of this agreement is attached hereto this Resolution in substantially final form.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby adopt NEL to derive Participation Percentages to allocate General and Administrative costs and approve in substantially final form the cost allocation agreement provided with this resolution.

**Balancing Authority of Northern California
Resolution 25-08-01**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California
this 27th day of August, 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				

Shawn Matchim
Chair

Attest by: C. Anthony Braun
Secretary

**BALANCING AUTHORITY OF NORTHERN CALIFORNIA
COST-SHARING AGREEMENT
FOR ALLOCATING CERTAIN BANC BUDGETED COSTS
USING NET ENERGY FOR LOAD DATA**

This Cost-Sharing Agreement (“Agreement”), dated _____, (“Effective Date”), is entered into by and among the Balancing Authority of Northern California and its members, the Cities of Redding, Roseville, and Shasta Lake, the Modesto Irrigation District, Sacramento Municipal Utility District, and Trinity County Public Utilities District, each of which may be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

- A. WHEREAS, the Balancing Authority of Northern California (“BANC”) was created by a Joint Powers Agreement (“BANC JPA”) to, among other things, acquire, construct, maintain, operate, and finance Projects; and
- B. WHEREAS, the BANC JPA directs that certain BANC costs be allocated among members pursuant to Participation Percentages as defined in the BANC JPA; and
- C. WHEREAS, the BANC JPA provides that Energy Information Agency (“EIA”) load data shall be used to allocate budgeted costs among BANC members, except in certain circumstances; and
- D. WHEREAS, the BANC JPA provides for alternative cost allocation mechanisms pursuant to contractual agreement among the BANC members and BANC; and
- E. WHEREAS, BANC and BANC members have previously used separate agreements to allocate certain costs; and
- F. WHEREAS, BANC and BANC members have found the timing for availability of EIA load data to be delayed, frustrating timely and accurate development of budgeting for BANC; and
- G. WHEREAS, BANC and BANC members desire to enter into this agreement to utilize Net Energy for Load (“NEL”) data distributed by the Western Electricity Coordinating Council to allocate certain general BANC budgeted and approved costs, unless otherwise specified in a separate agreement.

Therefore, in return for mutual considerations, the Parties agree as follows:

1. **Allocation of Costs Pursuant to NEL**

This Agreement shall include an Exhibit A which shall include the NEL calculations for each calendar year. The NEL calculation shall be used to allocate approved BANC budgeted general expenditures. These calculations shall be deemed the Participation Percentages as that term is used in the BANC JPA. The NEL calculation in Exhibit A shall be updated annually by resolution of the BANC Commission. Annual adjustments to the NEL calculations shall not be deemed an amendment to this agreement and shall not require action to amend other than approval of new NEL calculations annually by the Commission.

2. Authorized Representatives: Each Party designates the following representatives who are authorized to act on its behalf with respect to those matters contained in this Agreement; provided, however, that the respective authorized representatives have no power or authority to alter any of the provisions of this Agreement. Each Party may change the designation of its authorized representatives upon oral notice given to the others, confirmed promptly by written notice.

For BANC:

Balancing Authority of Northern California
Attn: James Shetler General Manager
P.O. Box 15830, MS D109
Sacramento, CA 95852-1830
Email: jimshetler@thebanc.org

For Modesto Irrigation District:

For City of Redding:

For City of Roseville:

For City of Shasta Lake:

For Sacramento Municipal Utility District:

For Trinity Public Utilities District:

3. Entire Agreement: This Agreement, including its attached Exhibit A, constitutes the entire agreement among the Parties and supersedes all previous communications, representations, or agreements, either oral or written, with respect to the subject matter of this Agreement.

4. Amendments: The Parties may amend this Agreement only in a writing signed by all Parties through their duly authorized signatories.
5. Successors and Assigns: This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors, assigns, and legal representatives.
6. Severability: If a provision of this Agreement, in whole or in part, or the application of such provision, is held invalid by any court or administrative body having jurisdiction, all other provisions of this Agreement and their application will remain in force and effect unless such court or administrative body also holds that the provision is not severable from all other provisions of this Agreement.
7. Termination: This Agreement may not be unilaterally terminated by any Party, except upon withdrawal of a Party from the BANC Joint Powers Agreement, as it may be amended from time to time, or upon dissolution of BANC pursuant to the terms of such BANC Joint Powers Agreement. In the event of such termination caused by withdrawal of a Party from the BANC Joint Powers Agreement, the terminating Party shall pay, in accordance with the cost-sharing arrangement set forth in Section 2 above, its share of the costs approved by the BANC Commission to be shared pursuant to this Agreement.
8. Limitation of Liability: The Parties agree that the sole purpose of this Agreement is to allocate budgeted expenditures approved by the BANC Commission, and to obligate payment of such expenditures pursuant to the Participation Percentages. In no event shall any Party be liable to any other Party for any damages, be they direct, indirect, incidental, consequential, special, punitive or exemplary damages related to or arising out of this Agreement whether or not the party claiming damages has been advised of the possibility of such damages and regardless of what legal or equitable theory may be asserted, including, without limitation, any contract, negligence, breach of warranty or any other legal or equitable theory.
9. Execution by Counterparts: The Parties may execute this Agreement in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. Delivery of an executed counterpart by email in ".pdf" format shall be as effective as delivery of an original.

[signature page follows]

The undersigned have caused this Agreement to be duly executed through their authorized signatories as of the Effective Date.

Balancing Authority of Northern California

James R. Shetler
General Manager

Modesto Irrigation District

Name
Title

City of Redding

Name
Title

City of Roseville

Name
Title

City of Shasta Lake

Name
Title

Sacramento Municipal Utilities District

Name
Title

Trinity Public Utilities District

Name
Title

Balancing Authority of Northern California

Agenda Item 6B

- 1. BANC 2026 Budget – August 2025 Draft.**

BANC 2026 Budget

August 2025 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: No change proposed in retainer or monthly expenses

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

- i. Assumptions: No change proposed in legal retainer from 2025 @ \$49,737.91/mo. 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 = **\$120,000**

- i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum. Increase reflects charges experienced in 2025.

d. Resource Committee Support = **\$460,000**

- i. Scope: Consultant support for:

1. SMUD developing IRP summary for BANC footprint = \$45,000,
 2. Brattle Resource Adequacy policy development = \$265,000,
 3. Pathways Regional Organization Development Funding = \$100,000
 4. Miscellaneous support = \$50,000
- 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 = **\$170,029**
- i. Accounting/Treasury Support = \$128,029
 - ii. Annual Audit Fees = \$15,000
 - iii. CMUA Membership = \$25,000
 - iv. Bank Charges = \$2,000
- g. Sub-total = **\$2,864,792**
- h. Contingency: **\$250,000**

Total = **\$3,114,792**

Member Breakdown Comparison of 2025 vs. 2026 Base Budgets (based on 2024 NEL for 2026):

MEMBER ALLOCATION (2026 %s)	2025	2026
SMUD (70.03%)	\$ 1,872,261.92	\$ 2,163,781.34
MID (16.59%)	\$ 459,811.07	\$ 512,596.49
ROSEVILLE (7.34%)	\$ 204,330.41	\$ 226,790.73
REDDING (4.82%)	\$ 131,799.88	\$ 148,927.97
SHASTA LAKE (1.22%)	\$ 38,159.72	\$ 37,695.46
Subtotal	\$ 2,706,363.00	\$ 3,089,792.00
TPUD (fixed)	\$ 25,000.00	\$ 25,000.00
TOTAL	\$ 2,731,363.00	\$ 3,114,792.00

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

a. Assumptions:

- i. SMUD to provide contract PC services to BANC
- ii. Total Cost to BANC = \$408,113
 1. Main PC evaluation labor = \$297,028
 2. \$41,585 for labor to perform an overview assessment of full BANC footprint
 3. Additional hours (260) for GMD study due in 2026 = \$60,000 plus GE license fee = \$9,500
 4. Includes a 3.0% labor rate adjustment for 2026
- 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%)	\$ 204,056.50
MID (30%)	\$ 122,433.90
ROSEVILLE (10.5%)	\$ 42,851.87
REDDING (9.5%)	\$ 38,770.74
TOTAL	\$ 408,113.00

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 2026 charge-out rates = \$0.035/MWH
 5. 2024 NEL for remaining BANC footprint:
 - a. Roseville = 1,204,321 MWH

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

MEMBER	2024 NEL - MWH	2026 ASSESSMENT
ROSEVILLE	1,204,321	\$ 42,151.24
TOTAL	1,204,321	\$ 42,151.24

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. The total monthly legal services retainer remains at \$12,000.
- 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 2026 3-year rolling average NEL as follows:
 1. SMUD – 64.2%
 2. MID – 15.4%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.9%
 5. Redding – 5.7%

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 POUs 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. 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	\$ 92,448.00	\$ 22,176.00	\$ 11,232.00	\$ 9,936.00	\$ 8,208.00
Consultant Support ~ Market Dev, Spt. (CES)	\$ 25,500.00	\$ 16,371.00	\$ 3,927.00	\$ 1,989.00	\$ 1,759.50	\$ 1,453.50
Total Estimate	\$ 169,500.00	\$ 108,819.00	\$ 26,103.00	\$ 13,221.00	\$ 11,695.50	\$ 9,661.50
Contingency (5%)	\$ 8,475.00	\$ 5,440.95	\$ 1,305.15	\$ 661.05	\$ 584.78	\$ 483.08
TOTAL	\$ 177,975.00	\$ 114,259.95	\$ 27,408.15	\$ 13,882.05	\$ 12,280.28	\$ 10,144.58

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 2026 3-year rolling average NEL for all five participants as follows:
 1. SMUD – 64.2%
 2. MID – 15.4%
 3. WAPA-SNR – 7.8%
 4. Roseville – 6.9%
 5. Redding – 5.7%
- 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	SMUD	MID	WAPA-SNR	ROSEVILLE	REDDING	TOTAL
Personnel - EIM Desk (5)	\$2,082,382.00						
Personnel - Settlements (1.5)	\$ 711,830.00						
Personnel - Outage Mgmt (0.4)	\$ 153,087.00						
Personnel - Netwk Model (1)	\$ 322,932.00						
Personnel - Meter Data Mgmt (0.5)	\$ 47,797.00						
Personnel - SME/Oversight (0.4)	\$ 206,886.00						
Personnel - IT Support (0.25)	\$ 67,340.00						
Personnel Total (9.05)	\$3,592,254.00						
EIM Software Support							
- OATI	\$ 104,333.00						
- Power Settlements	\$ 513,443.00						
- ITOA	\$ 22,511.00						
- Allowance for SW Upgrades	\$ 50,000.00						
- WebEIM	\$ 45,020.00						
EIM Software Support Total	\$ 735,307.00						
EMS EIM Module							
- Amortized Capital	\$ 52,978.00						
- O&M Support	\$ 10,000.00						
EMS EIM Module Total	\$ 62,978.00						
EIM OPERATOR TOTAL	\$4,390,539.00	\$2,818,726.04	\$ 734,107.01	\$ 342,462.04	\$ 302,947.19	\$ 308,224.72	\$4,506,467.00
Miscellaneous Support							
- Legal Support	\$ 135,000.00						
- EIM Stakeholder Support (CES)	\$ 25,500.00						
- Utilicast Support	\$ -						
Miscellaneous Support Total	\$ 160,500.00						
TOTAL EIM Operations	\$4,551,039.00	\$2,921,767.04	\$ 758,824.01	\$ 354,981.04	\$ 314,021.69	\$ 317,373.22	\$4,666,967.00
TPUD Load Charges	\$ 25,000.00	\$ 17,425.00	\$ 4,175.00	\$ -	\$ 1,850.00	\$ 1,550.00	\$ 25,000.00
TOTAL EIM	\$4,576,039.00	\$2,939,192.04	\$ 762,999.01	\$ 354,981.04	\$ 315,871.69	\$ 318,923.22	\$4,691,967.00

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 10/1/27 go-live date for EDAM participation based upon latest decision by CAISO on 2027 EDAM go-live implementation
 - iv. Costs allocated in accordance with 2026 3-year rolling average NEL for all five participants as follows:
 - 1. 1. SMUD – 64.2%
 - 2. 2. MID – 15.4%
 - 3. 3. WAPA-SNR – 7.8%
 - 4. 4. Roseville – 6.9%
 - 5. 5. Redding – 5.7%
- b. Cost estimates based upon Utilicast EDAM “Gap Analysis”; Utilicast EDAM Effort proposal; discussions with SMUD and BB&W; and the EDAM implementation options developed by BANC staff. Based upon a Fall 2027 go-live, activity levels are as follows:
 - i. Advisory support from 1/24 – 12/25
 - ii. Pre-implementation support from 1/26 – 9/26
 - iii. Implementation support from 10/26 – 9/27
 - iv. Go-live – October 2027
 - v. Post go-live support from 10/27 – 11/27
- c. Based upon a better understanding of the complexities of managing the transmission tracking and settlements for EDAM, both Utilicast and SMUD are proposing increases in staffing support for the implementation effort. This is reflected in the estimates for the 2026 Budget to cover additional SME and project management support. In addition, Utilicast support for specific WAPA-SNR issues is included at \$~8,000/month and will be charged to WAPA-SNR.
- d. Based upon discussions with the CAISO, the initial installment (\$300,000) of the CAISO EDAM Implementation fee was paid upon execution of the EDAM Implementation Agreement in Fall 2024. CAISO is estimating the total EDAM Implementation Fee will be ~\$1.8 million, and the budget reflects additional periodic payments for 2026.
- e. Based upon the delay to fall 2027 go-live, the agreement to move initial \$550,000 of charges for Power Settlements from 2026/2027 to Pre-implementation support in 2025 has been reversed. No change in overall Power Settlements cost estimate. Addition of \$45,000 each for MID and Roseville for maintenance/service fees for Power Settlements applications starting in 2026.
- f. 9 months of Pre-Implementation support and 3 months of Implementation support in 2026.
- g. Legal services estimated 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

IMPLEMENTATION CATEGORY	Spring 2027 Go-Live	SMUD 64.4%	MID 15.6%	WAPA-SNR 7.3%	ROSEVILLE 6.9%	REDDING 5.8%
Pre-Impl. Effort (9 mo)	\$2,252,784.00	\$1,446,287.33	\$391,928.74	\$247,717.15	\$155,442.10	\$173,408.69
~Utilicast Support	\$ 532,950.00			\$ 72,000.00		
~Legal Support	\$ 189,500.00					
~SMUD Ops/Settle/PM Support	\$ 385,334.00					
~Software Upgrades	\$ 545,000.00					
~Power Settlements	\$ 445,000.00		\$ 45,000.00			\$ 45,000.00
~OATI	\$ 100,000.00					
~CAISO Implementation Fee	\$ 600,000.00					
Implementation Effort (3 mo)	\$1,045,759.50	\$ 671,377.60	\$161,046.96	\$105,569.24	\$ 72,157.41	\$ 59,608.29
~Utilicast Support	\$ 165,750.00			\$ 24,000.00		
~Legal Support	\$ 81,050.00					
~SMUD Ops/Settle/PM Supt	\$ 163,959.50					
~Software Upgrades	\$ 335,000.00					
~Power Settlements	\$ 85,000.00					
~OATI	\$ 150,000.00					
~Reporting Software	\$ 100,000.00					
~CAISO Implementation Fee	\$ 300,000.00					
Total Estimate	\$3,484,543.50	\$2,117,664.93	\$552,975.70	\$353,286.39	\$227,599.50	\$233,016.98
Contingency @10%	\$ 348,454.35	\$ 211,766.49	\$ 55,297.57	\$ 35,328.64	\$ 22,759.95	\$ 23,301.70
TOTAL	\$ 3,832,997.85	\$2,329,431.42	\$608,273.27	\$388,615.03	\$250,359.45	\$256,318.68

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

- a. BANC will develop appropriate project agreements for the following projects in 2026:
 - 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 finalized by mid-2026.
 - ii. Issuance and evaluation 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. Additional Resource Solicitation issued and proposals received by end of 2025 for evaluation in 2026.
- c. There is a placeholder for additional consultant support as the project negotiations develop.
- d. Assume participation from SMUD, MID, Roseville, and Shasta Lake for both efforts; Redding participation in additional solicitation effort; "Outside Party" participation in Sutter Project using the following percentages:
 - i. SMUD – 76.4%
 - ii. MID – 11.8%
 - iii. Roseville – 4.7%
 - iv. Redding/Outside Party – 5.9%
 - v. Shasta Lake – 1.2%

IMPLEMENTATION CATEGORY	COST ESTIMATE	SMUD	MID	ROSEVILLE	REDDING	SHASTA LAKE	OUTSIDE PARTY
Legal Support	\$ 140,000.00	\$ 106,960.00	\$ 16,520.00	\$ 6,580.00	\$ 4,130.00	\$ 1,680.00	\$ 4,130.00
Consultant Support (Agreement dvlpmt)	\$ 50,000.00	\$ 38,200.00	\$ 5,900.00	\$ 2,350.00	\$ 1,475.00	\$ 600.00	\$ 1,475.00
Total Estimate	\$ 190,000.00	\$ 145,160.00	\$ 22,420.00	\$ 8,930.00	\$ 5,605.00	\$ 2,280.00	\$ 5,605.00
Contingency (~5%)	\$ 9,500.00	\$ 7,258.00	\$ 1,121.00	\$ 446.50	\$ 280.25	\$ 114.00	\$ 280.25
TOTAL	\$ 199,500.00	\$ 152,418.00	\$ 23,541.00	\$ 9,376.50	\$ 5,885.25	\$ 2,394.00	\$ 5,885.25

11. 2026 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 Dvlpmnt	Proposed 2026 TOTAL	Amended 2025 TOTAL (includes 7/25 update)
SMUD	\$ 2,163,781.34	\$ 204,056.50	\$ -	\$ 114,259.95	\$ 2,939,192.04	\$ 2,329,431.42	\$ 152,418.00	\$ 7,903,139.25	\$6,181,356.45
MID	\$ 512,596.49	\$ 122,433.90	\$ -	\$ 27,408.15	\$ 762,999.01	\$ 608,273.27	\$ 23,541.00	\$ 2,057,251.82	\$1,605,426.54
ROSEVILLE	\$ 226,790.73	\$ 42,851.87	\$ 42,151.24	\$ 12,280.28	\$ 315,871.69	\$ 250,359.45	\$ 9,376.50	\$ 899,681.75	\$711,163.59
REDDING	\$ 148,927.97	\$ 38,770.74	\$ -	\$ 10,144.58	\$ 318,923.22	\$ 256,318.68	\$ 5,885.25	\$ 778,970.43	\$590,490.21
SHASTA LAKE	\$ 37,695.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,394.00	\$ 40,089.46	\$40,553.72
TPUD	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$25,000.00
BANC TOTAL	\$ 3,114,792.00	\$ 408,113.00	\$ 42,151.24	\$ 164,092.95	\$ 4,336,985.96	\$ 3,444,382.82	\$ 193,614.75	\$ 11,704,132.71	\$9,153,990.52
OUTSIDE PARTY							\$ 5,885.25	\$ 5,885.25	
WAPA-SNR	\$ -	\$ -	\$ -	\$ 13,882.05	\$ 354,981.04	\$ 388,615.03	\$ -	\$ 757,478.12	\$537,218.82
GRAND TOTAL	\$ 3,114,792.00	\$ 408,113.00	\$ 42,151.24	\$ 177,975.00	\$ 4,691,967.00	\$ 3,832,997.85	\$ 199,500.00	\$ 12,467,496.09	\$9,691,209.34