

**Balancing Authority of Northern California**

# Regular Meeting of the Commissioners of BANC

**2:00 P.M.**

**Wednesday, February 18, 2026**

**2377 Gold Meadow Way**

**1<sup>st</sup> Floor Conference Room**

**Gold River, CA 95670**

# 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 **February 18, 2026 at 2:00 p.m.** at **2377 Gold Meadow Way, 1<sup>st</sup> Floor Conference Room, Gold River, CA 95670.**

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:** 847 2111 6226

**Passcode:** 911613

**Meeting Link:** <https://us06web.zoom.us/j/84721116226?pwd=ePJkO2n87JYtIHUhrZmmyrXpQtVYj.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](mailto:administrator@braunlegal.com). Public comment received by email will be read within the allotted public comment period.

### Public Meeting Location(s):

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

#### Redding Electric Utility

Bally Conference Room  
3611 Avtech Parkway  
Redding, CA 96002

#### SMUD (Headquarters Building)

Camden Conference Room  
6201 S Street  
Sacramento, CA 95817

## AGENDA

- 1 Call to Order and Verification of Quorum.**
- 2 Matters subsequent to posting the Agenda.**
- 3 Public Comment** – any member of the public may address the Commissioners concerning any matter on the agenda.
- 4 Consent Agenda.**
  - A. Minutes of the Regular Commission Meeting held on November 19, 2025.
  - B. BANC Operator Report (November, December, January).
  - C. Compliance Officer Report (December, January, February).
  - D. PC Committee Chair Report (December, January, February).
  - E. General Manager's Report and Strategic Initiatives Update.
- 5 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to Cal. Gov't Code § 54956.9; anticipated litigation, one (1) matter: FERC Docket No. ER23-2686.
- 6 Regular Agenda Items – Discussion and Possible Action.**
  - A. General Manager Updates.
    - i. Market Updates – EIM, EDAM, Pathways, Markets+, WPP.
    - ii. Strategic Plan Updates.
  - B. Consider and Possibly Approve Resolution 26-02-01 *Approval of BANC Resource Sufficiency Evaluation Policy.*
  - C. Consider and Possibly Approve Resolution 26-02-02 *Authorization of Amended Legal Services Agreement with Braun Blasing & Wynne, P.C.*
  - D. 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](mailto:administrator@braunlegal.com).

## Balancing Authority of Northern California

# Consent Agenda Items

- A. Minutes of the November 19, 2025 BANC Regular Meeting.**
- B. BANC Operator Reports (November, December, January).**
- C. Compliance Officer Reports (December, January, February).**
- D. PC Committee Chair Report ( December, January, February).**
- 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 19, 2025

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

Representatives:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	Martin Caballero
City of Redding	Joe Bowers, Alternate (remote)
City of Roseville	Shawn Matchim, BANC Chair
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	James Takehara (remote)
Trinity Public Utilities District (TPUD)	Paul Hauser

Other Participants:

Jim Shetler	General Manager
Tony Braun	BANC General Counsel
Kris Kirkegaard	BANC General Counsel Support
Wei Shao	BANC Planning Committee Chair
Michelle Williams	Western Area Power Administration (remote)

1. Call to Order and Verification of Quorum: Mr. Shetler confirmed the quorum; attendance is noted above. Chair Matchim called the meeting to order at 2:09 p.m.
2. Matters Subsequent to Posting the Agenda: Jim Shetler requested to move item 5B before 5A, directly after the Consent Agenda, to accommodate the presenter’s schedule; accepted.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair Matchim invited comments from the Commission and a motion on the Consent Agenda; no comments.

**ACTION:** M/S (Hauser/Lau) to **approve the Consent Agenda**. Motion carried by a unanimous vote of those present.

5. Regular Agenda Items.

A. General Manager Updates:

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

Mr. Shetler noted that 2025 Q3 CAISO Benefits Analysis results are in, and value to continues to be demonstrated. Updates on the expected EDAM implementation schedule were provided, and it was noted that Pacificorp and Portland General

Electric's OATTs have been approved by FERC. BANC continues to work with WAPA on OATT and business practices development. Mr. Braun provided a brief update on seams, and Mr. Shetler noted that WECC's December quarterly meeting includes a workshop on seams and markets.

Regarding the West-wide Governance Pathways Initiative, Mr. Shetler stated that implementation plans for the independent board continue to move forward with incorporation and IRS filings. Interim funding will need to be explored prior to tariff-based funding, which is not expected to be in place until January 2028. Participant donations, private entity funding, and debt financing are being explored. RFP responses for a placement firm to assist with board selection are being reviewed, with the intent to start board selection in early 2026 and seat a board by Q3.

Regarding SPP Markets+, funding for the next phase has been obtained, and seams is a primary area of focus. Mr. Braun overviewed recent 9<sup>th</sup> Circuit litigation related to Bonneville Power Administration's market choice. A brief update regarding the WRAP and entity decisions related to elections to go binding with respect to Resource Adequacy compliance and penalty application was also provided.

Mr. Shetler reviewed updates to BANC's Strategic Plan, noting that a straw proposal for EDAM RA program development was expected in the spring of 2026, and he suggested aligning BANC's RA program around that effort. Related to resource procurement, discussions continue with Calpine regarding the Sutter CCS project. Any RFP for resources is being held until there is more information on the aforementioned EDAM RA program.

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

- B. Consider and Possibly Approve Resolution 25-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2025 Transmission Planning Assessment. (Note: this was moved prior to 5A on the agenda.)

Mr. Shetler introduced Wei Shao, SMUD Manager, Transmission Planning and Reliability Services and BANC Planning Coordinator Committee Chair. Questions from the Commission were addressed. No public comment.

**ACTION:** M/S (Caballero/Hauser) to **approve Resolution 25-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2025 Transmission Planning Assessment.** Motion carried by a unanimous vote.

- C. Consider and Possibly Approve Resolution 25-11-02 Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Implementation Support.

Mr. Shetler overviewed this request, noting the addition of a transmission operation subject matter expert and an adjustment related to the implementation timeline. There were no questions from the Commission or public comment.

**ACTION:** M/S (Hauser/Bowers) to **approve Resolution 25-11-02 Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Implementation Support.** Motion carried by a unanimous vote.

- D. Consider and Possibly Approve Resolution 25-11-03 *Resolution Setting the Regular Meeting Dates for 2026.*

Mr. Shetler introduced this item. No questions from the Commission or public comment.

**ACTION:** M/S (Bowers/Lau) to **approve Resolution 25-11-03 Resolution Setting the Regular Meeting Dates for 2026.** Motion carried by a unanimous vote.

- E. Consider and Possibly Approve Resolution 25-11-04 *Approval of BANC Internal Compliance Program Charter – 2025 Updates.*

Mr. Shetler introduced James Leigh-Kendall, BANC Compliance Officer, who provided a brief overview of the minor changes. No questions from the Commission, and there was no public comment.

**ACTION:** M/S (Lau/Hauser) to **approve Resolution 25-11-04 Approval of BANC Internal Compliance Program Charter – 2025 Updates.** Motion carried by a unanimous vote.

- F. Member updates.

Commissioner Lau updated the Commission regarding SMUD’s budgeting process, the status of a proposed solar project, SMUD’s meter project, and the cancellation of a \$50M GRIP grant. Commissioner Caballero provided an update on Don Pedro Hydropower relicensing efforts and the planned replacement of three units by 2029. Alternate Commissioner Bowers touched on relicensing for the Whiskeytown facility, impacts related to the failure of a local sales tax measure, their strategic planning process, and planned rate increases. Commissioner Takehara shared challenges related to sourcing decisions. Michelle Williams overviewed the status of staffing updates around backfilling of key positions. Commissioner Hauser noted the authorization of a \$9.5M grant related to transmission vegetation management, touched on the exemption related to the solar rooftop mandate exemption, and mentioned the status of their rate increase. Chair Matchim provided an update on the status of Roseville’s repowering project, scheduled outages, debt issuance plans in early 2026, and potential renewables projects.

Mr. Shetler stated that he knew of no items for a December meeting at this time, so he expected to adjourn unless anything urgent arises.

The Commission adjourned at 3:38 p.m.

Minutes approved on February 18, 2026.

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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 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
  - 11 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: 8 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
  - Q3 Frequency Response Measure (FRM): -68.0 MW/0.1Hz
  - Q3 Number of Under-Performed Events: 0 out of 4
  - Q1~Q3 Frequency Response Measure (FRM): -70.0 MW/0.1Hz
  - Q1~Q3 Number of Under-Performed Events: 1 out of 9

## 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 2025

## 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
  - 199 MW average generation lost
  - 199 MW maximum generation lost
  - Generating unit(s) and date(s) affected:  
*Sutter Energy Center (SEC) PP CTG 2 & STG tripped offline at ~10:57 PM due to emissions issue*
  - All recoveries within 2.5 minutes
- USF
  - 7 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: 1 Minute
  - 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
  - 2026 Frequency Response Obligation(FRO): -19.1 MW/0.1Hz

## Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

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



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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

**TO:** BANC Commission

**RE:** BANC Operator Report for January 2026

## 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
  - 104 MW average generation lost
  - 104 MW maximum generation lost
  - Generating unit(s) and date(s) affected:  
*01/01/2026 - Whiterock (WHT) Unit 1 tripped offline at ~06:55 AM, cause unknown at this time.*
  - All recoveries within 10 minutes
- USF
  - 8 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:
  - 2026 Frequency Response Obligation(FRO): -19.1 MW/0.1Hz

## Monthly Notes:

- None

A JOINT POWERS AUTHORITY AMONG

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

# Compliance Officer Report

## BANC Commission Meeting

### December 2025

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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 have been submitted to WECC.

#### **BANC MCRC:**

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 26<sup>th</sup> via teleconference.

# Compliance Officer Report

## BANC Commission Meeting

### January 2026

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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 have been submitted to WECC.

#### **BANC MCRC:**

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 26<sup>th</sup> via teleconference.

# Compliance Officer Report

## BANC Commission Meeting

### February 2026

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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 met the January 28<sup>th</sup> deadline to respond to the Level 2 – Large Load Interconnection NERC Alert.
  - BANC is on track to submit Self-Certification responses for the two BA/PC-applicable NERC CIP Standard requirements by the March 2<sup>nd</sup> due date.

#### **BANC MCRC:**

The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, February 23<sup>rd</sup> via teleconference.

# PC Committee Chair Report

## BANC Commission Meeting

### December 2025

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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-002-4 – Facility Interconnection Studies – Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document, and it was posted on BANC PC site and distributed on August 22<sup>nd</sup>.
- FAC-014-3 - Establish and Communicate SOLs – Staff finalized and distributed the FAC-014-3 report to BANC PC Participants and to industry stakeholders as required per FAC-014-3 R6, R7, and R8 for their formal review and comment on November 11<sup>th</sup>.
- MOD-031-3 – Demand and Energy Data – Staff is preparing the new 2026 data request cycle for the upcoming year. There will be a revised LTRA Narrative request as part of this data request.
- MOD-033-2 – Model Validation – Both steady state and dynamic model validation has been completed, and the report is out for PC Participant review with a due date of December 19<sup>th</sup>.
- PRC-006-5 – Automatic Underfrequency Load Shedding – Staff is participating in ongoing WECC level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings and is reviewing PRC-006-5 Assessment result findings compiled by the WECC consultant.
- 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 31<sup>st</sup>. A survey on the BANC's members' RAS schemes was sent out early March.

- PRC-023-6 – Transmission Relay Loadability – 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 15<sup>th</sup>.
- PRC-026-2 – Relay Performance During Stable Power Swings – The annual 2025 BANC PC PRC-026-2 transient stability assessment did not identify any BANC PC BES 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 August 1<sup>st</sup>. The draft report was shared with BANC PC Participants for their formal review, and staff finalized and distributed the final report to BANC PC Participants on October 24<sup>th</sup>.
- TPL-001-5.1 – Transmission System Planning Performance – The BANC PC assessment is complete and was approved by BANC Commission on November 19<sup>th</sup>. The assessment will be distributed by December 31<sup>st</sup>.
- TPL-007-4 – Transmission System Planned Performance for Geomagnetic Disturbance Events – Staff completed the GMD voltage portion of the study to assess GMD events 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 performing the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12<sup>th</sup>. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on November 16<sup>th</sup>. No new responsibilities were added for BANC PC Participants. The updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5, to ensure the required GMD data is sent to the appropriate parties.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-4 Interconnection Studies	100%	Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document following BANC PC review, and it was posted on BANC PC site and distributed on 8/22/25. Staff also received responses from BANC PC Participants for a list of qualified changes for their system for the 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	100%	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 addressing comments received from PC Participants and will finalize and distribute the report.
3	IRO-017-1 Outage Coordination	0%	Assessment report(s) will be sent to the RC on 12/31/25.
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 02/14/25. Staff is preparing the new 2026 data request cycle for the upcoming year. WECC stated that the initial data request should be out by mid-December and will be similar to previous year's data requests. There will be a revised LTRA Narrative request as well.
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	95%	Steady State validation is underway.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
7	PRC-006-5 Underfrequency Load Shedding	95%	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. Staff continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies ,and staff is also reviewing the PRC-006-5 SAR Variance Update by WECC.
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 9/19/24 and the final Report was issued on 12/24/24.
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 12/31/25. 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 completed the powerflow assessment, and is drafted a report for BANC PC participant review. The report was reviewed by BANC PC participants. The finalized report was shared with industry stakeholders on 08/15/25.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
11	PRC-026-2 Relay Performance During Stable Power Swings	100%	The study plans were finalized and distributed to BANC PC participants on 05/02/25. 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 was added to the 2025 BANC PC PRC-026-2 draft report. The draft report is under BANC PC Participants for their formal review and comment by October 10 <sup>th</sup> , 2025. Staff finalized and distributed the final report to BANC PC Participants on 10/24/25.
12	TPL-001-5 Transmission System Planning Performance	99%	Assessment is complete and was approved by BANC Commission on 11/19/25; to be distributed 12/31/25
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	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 3/12/25. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on 11/16/25. No new responsibilities were added for BANC PC members. The updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5, to ensure the required GMD data is sent to the appropriate parties.

# PC Committee Chair Report

## BANC Commission Meeting

### January 2026

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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. Staff is also working on fulfilling RSAW Narratives for the annual BANC PC Self Certification.

- FAC-002-4 – Facility Interconnection Studies – Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document, and it was posted on BANC member site and distributed on August 22<sup>nd</sup>, 2025. Staff will be sending an annual data request to BANC PC Participants requesting information regarding any potential projects based on qualified changes for year 2026.
- FAC-014-3 - Establish and Communicate SOLs – Staff finalized and distributed the FAC-014-3 report to BANC PC Participants and industry stakeholders as required per FAC-014-3 R6, R7, and R8. The finalized TPL-001-5 report was also communicated on December 31<sup>st</sup> to demonstrate full compliance of SOLs in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the FAC-014-3 compliance process.
- MOD-031-3 – Demand and Energy Data – Staff submitted the 2026 data request to BANC PC Participants, which also includes a revised LTRA Narrative request. Responses are due by February 6<sup>th</sup>.
- MOD-033-2 – Model Validation – 2025 validation was completed in December. Next validation to be performed in Fall 2026.
- PRC-006-5 – Automatic Underfrequency Load Shedding – Staff is participating in ongoing WECC-level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings and is reviewing the PRC-006-5 Assessment report compiled by the WECC consultant.
- PRC-012 – Remedial Action Schemes Assessment – Staff performed 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) met all performance and other requirements specified in the NERC Reliability Standard PRC-

012-2 R4. The final study report was completed and sent out prior to the end of 2025. This is next due in 2030.

- PRC-023-6 – Transmission Relay Loadability – 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 May 30, 2025. A draft report was created and reviewed by BANC PC Participants. The finalized report was shared with industry stakeholders on August 15, 2025. Staff is now beginning the process for year 2026 by drafting the new study plan.
- PRC-026-2 – Relay Performance During Stable Power Swings – 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 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 August 1, 2025. The draft report was shared with BANC PC Participants for their formal review and comment by October 10<sup>th</sup>, 2025. Staff finalized and distributed the final report to BANC PC Participants on October 24, 2025. The finalized TPL-001-5 report was also communicated on December 31, 2025 to demonstrate full compliance with no elements identified in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the PRC-026 compliance process.
- TPL-001-5.1 – Transmission System Planning Performance – The 2026 BANC PC TPL assessment study plan and schedule is being developed and will be sent for review upon completion.
- TPL-007-4 – Transmission System Planned Performance for Geomagnetic Disturbance Events – Staff completed the GMD voltage portion of the study to assess the impact of GMD events 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 performing the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12, 2025. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on November 16, 2025. No new responsibilities were added for BANC PC members; the updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5 to ensure the required GMD data is sent to the appropriate parties. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on January 7, 2026 after noting that certain responsibilities shifted between revisions. The updated report has been sent to BANC PC Participants for comments.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-4 Interconnection Studies	0%	Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document after BANC PC review, and it was posted on BANC member site and distributed on 8/22/2025. Staff also received responses from BANC PC Participants for a list of qualified changes for their system for the 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. Staff will be sending an annual data request to BANC PC Participants requesting information regarding any potential projects based on qualified changes for year 2026.
2	FAC-014-3 Establish and Communicate SOLs	0%	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. The finalized TPL-001-5 report was communicated on 12/31/25 to demonstrate full compliance of SOLs in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the FAC-014-3 compliance process.
3	IRO-017-1 Outage Coordination	100%	Assessment report(s) were sent to the RC on 12/31/2025.
4	MOD-031-3 Demand and Energy Data	25%	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 2/14/25. Staff submitted 2026 data request to BANC PC Participants, which includes a revised LTRA Narrative request. Responses are due by 2/06/26.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
5	MOD-032-1 Data for Power System Modeling & Analysis	0%	Ongoing activity. Data requests to fulfill 13-month cycle for compliance.
6	MOD-033-2 System Model Validation	0%	Will be started in the fall.
7	PRC-006-5 Underfrequency Load Shedding	5%	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. Staff continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies and staff is also reviewing the PRC-006-5 Assessment report compiled by the WECC consultant.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff completed performing the UVLS assessment studies. The final Report was issued on 12/24/2024.
9	PRC-012-2 Remedial Action Schemes	100%	The final study report was completed and sent out on 12/22/2025. Next due in 2030.
10	PRC-023-6 Transmission Relay Loadability	5%	Study plans were finalized and distributed to BANC PC participants on 5/02/25, and staff has completed the powerflow assessment and drafted a report for BANC PC Participant review. The finalized report was shared with industry stakeholders on 8/15/25. Staff is now beginning the process for year 2026 by drafting the new study plan.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
11	PRC-026-2 Relay Performance During Stable Power Swings	0%	Study plans were finalized and distributed to BANC PC Participants on 5/02/25. 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 8/01/25 and added to the 2025 draft report. Staff finalized and distributed the final report to BANC PC Participants on 10/24/25. The finalized TPL-001-5 report was also communicated on 12/31/25 to demonstrate full compliance of no elements identified in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the PRC-026 compliance process.
12	TPL-001-5 Transmission System Planning Performance	0%	2025 final study report sent out on 12/31/2025. Currently reviewing study plan for 2026 studies.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events - 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. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on 11/16/2025. No new responsibilities were added for BANC PC members. The updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5, to ensure the required GMD data is sent to the appropriate parties.</p> <p>The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on 1/7/2026 after noting that certain responsibilities shifted between revisions. The updated report has been sent to BANC PC members for comments.</p>

# PC Committee Chair Report

## BANC Commission Meeting

### February 2026

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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. Staff is also working on updating RSAW Narratives for the annual BANC PC Self Certification.

- FAC-002-4 – Facility Interconnection Studies – Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document, and it was posted on BANC member site and distributed on August 22<sup>nd</sup>. Staff is initiating the annual data request to BANC PC Participants requesting information regarding any potential new interconnection projects or qualified changes for years 2026 through 2036.
- FAC-014-3 - Establish and Communicate SOLs – Staff finalized and distributed the BANC PC FAC-014-3 report to BANC PC Participants and industry stakeholders as required per FAC-014-3 R6, R7, and R8. The finalized TPL-001-5 report was also communicated on December 31<sup>st</sup> to demonstrate full compliance of SOLs in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the FAC-014-3 compliance process. The new process for year 2026 will begin in conjunction with the development of the TPL-001-5 study base cases and after CAISO communicates the latest set of SOLs to the BANC PC.
- MOD-031-3 – Demand and Energy Data – Staff submitted the 2026 data request to BANC PC Participants, which includes a revised LTRA Narrative request. Responses are due by February 6<sup>th</sup>. Staff is reviewing and incorporating responses received from BANC PC Participants into a consolidated response for the data request.
- MOD-033-2 – Model Validation – 2025 validation was completed in December. Next validation to be performed in Fall 2026.
- PRC-006-5 – Automatic Underfrequency Load Shedding – Staff is participating in ongoing WECC-level PRC-006-5 studies to determine the effectiveness of the existing UFLS for the Southern Island in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings and completed the review amongst the UFLSWG. The report has been finalized and posted on WECC's website. There are no violations for the Southern Island that BANC PC is part of.

- PRC-012 – Remedial Action Schemes Assessment – Staff performed 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) met all performance and other requirements specified in the NERC Reliability Standard PRC-012-2 R4. The final study report was completed and sent out prior to the end of 2025. This is next due in 2030.
- PRC-023-6 – Transmission Relay Loadability – 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 May 30<sup>th</sup>. A draft report was created and reviewed by BANC PC Participants, and the finalized report was shared with industry stakeholders on August 15<sup>th</sup>. Staff is beginning the process for year 2026 by drafting the new study plan.
- PRC-026-2 – Relay Performance During Stable Power Swings – 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 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 August 1<sup>st</sup>. The draft report was shared with BANC PC Participants for their formal review and comment by October 10<sup>th</sup>. Staff finalized and distributed the final report to BANC PC Participants on October 24<sup>th</sup>. The finalized TPL-001-5 report was also communicated on December 31<sup>st</sup> to demonstrate full compliance with no elements identified in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the PRC-026 compliance process. Staff is now beginning the process for year 2026 by drafting the new study plan.
- TPL-001-5.1 – Transmission System Planning Performance – Data request 1 was received, and files are being reviewed; the base case change files are being applied. Study plan is being reviewed and will be distributed for a final check by PC Participants.
- TPL-007-4 – Transmission System Planned Performance for Geomagnetic Disturbance Events – Staff completed the GMD voltage portion of the study to assess the impact of GMD events 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 performing the additional voltage study for compliance. The GMD voltage study report was sent out to BANC PC Participants for review on March 12<sup>th</sup>. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on November 16<sup>th</sup>. No new responsibilities were added for BANC PC Participants; the updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5 to ensure the required GMD data is sent to the appropriate parties. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on January 7<sup>th</sup> after noting that certain responsibilities shifted between revisions. The updated report has been sent to BANC PC Participants for comments.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-4 Interconnection Studies	5%	Staff finalized the BANC PC FAC-002-4 R6 Qualified Changes document after BANC PC review, and it was posted on BANC member site and distributed on 8/22/25. Staff received responses from BANC PC Participants for a list of qualified changes for their system for the 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. Staff will be sending an annual data request to BANC PC Participants requesting information regarding any potential projects based on qualified changes for years 2026-2036.
2	FAC-014-3 Establish and Communicate SOLs	0%	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. The finalized TPL-001-5 report was communicated on 12/31/25 to demonstrate full compliance of SOLs in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the FAC-014-3 compliance process. The new process for year 2026 will begin in conjunction with the development of the TPL-001-5 study base cases, and after CAISO communicates the latest set of SOLs to BANC PC.
3	IRO-017-1 Outage Coordination	100%	Assessment report(s) were sent to the RC on 12/31/25.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
4	MOD-031-3 Demand and Energy Data	50%	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 2/14/25. Staff submitted 2026 data request to BANC PC Participants, which includes a revised LTRA Narrative request. Responses were due by 2/06/26. Staff is reviewing and incorporating responses received from BANC PC Participants into a consolidated response.
5	MOD-032-1 Data for Power System Modeling & Analysis	15%	Ongoing activity. Data request to fulfill 13-month cycle was sent and completed.
6	MOD-033-2 System Model Validation	0%	Will be started in the fall.
7	PRC-006-5 Underfrequency Load Shedding	25%	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. Staff continues to participate in the SILTP and Underfrequency Load Shedding Working Group (UFLSWG) meetings to coordinate on studies and completed the review amongst the UFLSWG. The report has been finalized and posted on WECC's website. There are no violations for the Southern Island that BANC PC is part of.
8	PRC-010-2 Undervoltage Load Shedding	100%	Staff completed performing the UVLS assessment studies. The final Report was issued on 12/24/2024.
9	PRC-012-2 Remedial Action Schemes	100%	The final study report was completed and sent out on 12/22/2025. Next due in 2030.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
10	PRC-023-6 Transmission Relay Loadability	5%	Study plans were finalized and distributed to BANC PC participants on 5/02/25, and staff completed the powerflow assessment and drafted a report for BANC PC Participant review. The finalized report was shared with industry stakeholders on 8/15/25. Staff is now beginning the process for year 2026 by drafting the new study plan.
11	PRC-026-2 Relay Performance During Stable Power Swings	5%	Study plans were finalized and distributed to BANC PC Participants on 5/02/25. 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 8/01/25 and added to the 2025 draft report. Staff finalized and distributed the final report to BANC PC Participants on 10/24/25. The finalized TPL-001-5 report was also communicated on 12/31/25 to demonstrate full compliance of no elements identified in the Planning Assessment of the Near-Term Transmission Planning Horizon as part of the PRC-026 compliance process. Staff is now beginning the process for year 2026 by drafting the new study plan.
12	TPL-001-5 Transmission System Planning Performance	10%	Data request 1 was completed. Base cases and final study plan are being developed.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
13	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>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 3/12/25. The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on 11/16/25. No new responsibilities were added for BANC PC members. The updates were strictly for improved readability and organization. We did, however, add more description to Section 3.5 - Requirement 5, to ensure the required GMD data is sent to the appropriate parties.</p> <p>The GMD Vulnerability Assessment Responsibilities for BANC PC Area report was updated on 1/7/26 after noting that certain responsibilities shifted between revisions. The updated report has been sent to BANC PC Participants for comments.</p>

# GM Report

## BANC Commission Meeting

### February 18, 2026

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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.

#### **Market Initiatives:**

##### **EIM Participation**

Staff continues monitoring EIM participation. CAISO quarterly benefit reports show that BANC is seeing benefits from EIM participation, with the 3<sup>rd</sup> Quarter 2025 report showing gross benefits of \$37.20 million for BANC, with a total of \$894.39 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 Committee.

##### **EDAM Participation**

FERC issued the order approving the CAISO tariff amendment for congestion revenue allocation in EDAM on August 29, 2025. At the same time, FERC issued the orders approving the Pacificorp and PGE OATT amendments for EDAM participation. FERC upheld the OATT requirements and rejected the arguments offered by Powerex and SPP. A request for rehearing was filed at FERC, which FERC denied.

BANC is an active participant in the West-wide Governance Pathways Initiative (WWGPI), which includes participation on the Formation Committee for the new organization. With the enactment of the California legislation in October 2025 that

would allow the Step 2 proposal to be implemented, the WWGPI group is moving forward with implementation of the independent oversight structure. The Launch Committee approved on December 12, 2025, the filing of the incorporation documents in the state of Delaware for the new organization which were filed in late January 2026. The IRS filing for 501(c)(3) status has also been filed. Selection of a placement firm to assist in the selection of the independent board was finalized in January. The goal is to have the new board seated by mid-2026, key staff selected in late-2026, negotiate the necessary tariff amendments and service agreement with the CAISO for filing in mid-late 2027, with the new organization operable by early 2028.

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 revised the schedule and budget for the project and obtained Commission concurrence at its July 2025 meeting. Staff is now moving forward with ramping up the project efforts in early 2026 which includes monitoring the implementation efforts of PacifiCorp and PGE for their 2026 go-lives. BANC and the participants have finalized the EDAM Resource Sufficiency Evaluation Policy. This has been reviewed by the Markets Committee and will be presented to the Commission at the February meeting for consideration and possible approval.

### **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 commitments to move forward with the next phase of Markets+ development. SPP is also moving forward with expansion of their RTO into the eastern part of the Western Interconnection with a go-live in April 2026. SPP will be hosting a “seams seminar” in February, which will be attended by the CAISO and many of the EDAM Entities.

## **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 December 9-10, 2025, in Salt Lake City, UT, which the General Manager attended. The next set of meetings will be March 10-11, 2026, in Salt Lake City, UT. WECC CEO Melanie Frye is scheduled to retire in March 2026 and the WECC Board has announced the appointment of Jeffrey Droubay (WECC Vice-president, General Counsel, and Corporate Secretary) as the new CEO.

## **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. NVE has filed an IRP update with the Nevada Commission stating that they will not be moving forward with binding participation in WRAP. In addition, PacifiCorp, PGE, and PNM have also stated that they will not be going binding in the WRAP. Idaho Power and Seattle City Light have agreed to go binding in WRAP. At this stage, WPP has stated that they will be moving forward with the initial WRAP binding period for winter 2027 with sixteen entities participating.

### **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 final and was published on February 4, 2026. Initial indications are that the effort has identified \$~56 billions of transmission enhancements adding or upgrading 12,200 miles of facilities.

## **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 the current report. The POU BAs met with the CEC on January 26, 2026, to discuss the status of the SB101 report. The CEC will be hosting a workshop on the 2025 SB100 Joint Agency Report on February 19, 2026.

### **Western Electricity Industry Leaders (WEIL) Group:**

The WEIL CEOs last met on February 6, 2025, in San Diego, CA. The next meeting of the WEIL group is being planned but not yet announced.

### **Strategic Initiatives:**

The 2025/2026 Strategic Initiatives are attached to this report.

BANC 2025/2026 Strategic Plan - Routine Initiatives - February 2026 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 2026
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2026	
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs. <b>WEIL Mtg - 2/6/26</b>
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W	Ongoing as Necessary	
7 Medium		Engage TID on BA/EIM/EDAM	Jim Shetler/BB&W	Ongoing	
8 High		Develop prioritized risk matrix on key regulatory issues	BB&W/Jim Shetler	Mid-2026	
9 Medium	ASSETS	Monitor RA development in WI including EDAM RA program	Jim S./BB&W/ Res. Com.	4th Qtr. 2026	EDAM RA program discussion initiated - Draft Q1/Q2 2026
10 Medium		Finalize BANC-wide IRP Report	Jim S./Res. Comm	3rd Qtr. 2026	
11 High		Upgrade BANC RA Program	Jim S./Res. Comm.	3rd Qtr. 2026	Brattle Contract executed. <b>Launch effort Q1/Q2 2026</b>
12 Low	MEMBER SERVICES	Coordinate with BANC Operator to identify education areas for grid operations and outreach to members	Jim Shetler/Chris Hofmann	4th Qtr. 2026	
13 Low		Develop general education on BANC functions & support	Jim Shetler/BB&W	4t Qtr. 2026	

BANC 2025/2026 Strategic Plan - Focused Initiatives - February 2026 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
14 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including Markets, Tech. & Settlements committees
15 High		EDAM implementation effort ~ Manage BANC EDAM Imp. ~ Coordinate seams discussion	Jim Shetler/BB&W/ Utilicast	Oct-27	Ramping up project.
16 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
17 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	
18 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, Pathways, & etc.	Jim Shetler/BB&W	Ongoing	ROWE formation initiated
19 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	CEC Workshop on 2/19/26
20 High	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BB&W/Res. Com.	3rd Qtr. 2026	Initiating detailed discussions 1st Qtr. 2026
21 High		~ Develop/issue BANC resource solicitation/Educate developers	Jim S./BB&W/Res. Com.	Mid-2026	
22 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM/EDAM operations	Jim S.	Ongoing	

## Balancing Authority of Northern California

# Agenda Item 6B

1. **Resolution 26-02-01 Approval of BANC Resource Sufficiency Evaluation Policy.**



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. Box 15830 • MS B305 • SACRAMENTO • CA 95852 -1830

2/11/26

**To: BANC Commission**

**From: BANC General Manager**

**RE: BANC Resource Sufficiency Evaluation (RSE) Policy Whitepaper**

As part of the effort of implementing BANC's participation in the Extended Day Ahead Market (EDAM), how the EDAM Resource Sufficiency Evaluation (RSE) requirements will be managed among the BANC participants needs to be addressed. To address this issue, the BANC EDAM Policy RSE whitepaper was developed by the BANC EDAM RSE Work Group. The Work Group consisted of one or more constituents from each of the BANC EDAM Participants. The Work Group met nine times between July 2025 and January 2026. The work group unanimously supported the resulting BANC EDAM RSE Policy, as outlined in the whitepaper contained in this packet.

The Policy whitepaper defines three key concepts which encompass BANC's EDAM RSE Policy:

1. Defines how the CAISO's RSE Requirements, which are imposed on the BANC EDAM Entity, will be shared or allocated to the BANC EDAM Participants. The CAISO imposes three RSE Requirements on the BANC EDAM Entity:
  - a. RSE Upward Energy Capacity Requirement – consisting of Energy capacity, plus Imbalance Reserve Up capacity requirements. [Allocated to BANC EDAM Participants on the basis of each Participant's Day Ahead Load Forecast.]
  - b. RSE Downward Energy Capacity Requirement - consisting of Energy capacity, minus Imbalance Reserve Down capacity requirements. [Allocated to BANC EDAM Participants on the basis of each Participant's Day Ahead Load Forecast.]
  - c. RSE Ancillary Service Capacity Requirement for: Regulation Up, Regulation Down, Spin and Non-Spin ancillary service products. [Allocated to SMUD and WAPA-Sierra Nevada Region (WASN) Participants based on the Sub-BAA topography.]
2. Defines how BANC Participant's supply of RSE capacity in each of the three categories will be measured. The paper states the RSE supply measurement will use an approach very similar to the EDAM RSE supply defined in the CAISO OATT and Business Practices documents.

A JOINT POWERS AUTHORITY AMONG

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

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and Sacramento Municipal Utility District

3. Defines the financial penalty that will be assessed in the case that an individual Participant's RSE capacity supply is less than the Participant's assigned RSE capacity requirement.

The Policy whitepaper notes a RSE Policy exception that was granted to WASN. BANC and its Participants recognized that WASN is limited by its Federal Power Marketing Plan from providing excess capacity to the EDAM Market. For that reason, WASN's allocated EDAM RSE Upward Energy capacity, and Downward Energy capacity are limited to WASN's Load Forecast. The other BANC Participants accepted sharing WASN's remaining RSE requirements on the basis of their Day Ahead Load Forecasts.

The BANC EDAM Policy whitepaper has been reviewed by the BANC Markets Committee, which approved the proposed policy at its January meeting. The whitepaper will be presented to the Commission at the February meeting for its review. BANC Staff will be seeking Commission approval of the policy whitepaper which will eventually be incorporated into the appropriate BANC EDAM business practices and/or procedures.

# BANC EDAM Resource Sufficiency Evaluation Policy

This document describes the agreed-upon methodology for the Balancing Authority of Northern California's (BANC's) EDAM Resource Sufficiency Evaluation (EDAM RSE). It describes key components of BANC's EDAM RSE approach:

1. How the BANC EDAM Entity-level EDAM RSE requirements are allocated to BANC Market Participants; and how each BANC Participant can meet their portion of the RSE requirement.
2. Defines the BANC RSE supply short-fall consequences for BANC Market Participants whose RSE supply capacities are less than their RSE requirements.
3. Defines how excess RSE penalty dollar collections will be distributed to BANC Market Participants.
4. Defines how BANC market Participants may optionally exchange RSE capacity obligation quantities bilaterally.

## CAISO EDAM RSE Background:

The California ISO's (CAISO's) EDAM Resource Sufficiency Evaluation (RSE) is executed by the CAISO within the Day Ahead Integrated Forward Market (IFM). A CAISO RSE process evaluates each hour of the trade date individually. The RSE process evaluates the BANC EDAM Entity at the BAA level. The CAISO's RSE consists of three sub-tests. The BANC EDAM Entity will 'pass' the EDAM RSE if all three sub-tests are passed in every hour of the trade date. Each RSE sub-test consists of a RSE capacity *requirement*, which must be met or exceeded by the BAA's total RSE *supply* of that capacity. These Day Ahead RSE supply capacities are provided via the BANC Market Participants' Day Ahead resource bid and schedule component submissions to SIBR.

Below are the three EDAM RSE sub-test components; and a description of each sub-test's requirement and supply capacities:

1. **Ancillary Service Sub-Test** – The BANC EDAM Entity must demonstrate that the EDAM BAA has adequate Ancillary Service capacities reserved (protected for the BANC BAA's use).
  - a. **CAISO AS Requirement:**
    - i. The EDAM RSE AS requirement originates from the BANC BAA. The BANC EDAM Entity will communicate to CAISO its BAA AS requirements for each of the 24 hours of the trade date. There are four AS products, each with its own capacity requirement: Spin, Non-Spin, Reg-Up, and Reg-Down.
    - ii. The CAISO systems then echo-back the BANC Entity's reported BAA requirements as BANC's EDAM RSE AS requirement.
  - b. **BANC AS Supply:**
    - i. The BANC Entity demonstrates its supply of AS capacity via BANC Market Participant hourly Day Ahead AS self-schedules. The sum of all BANC Participant AS supply self-schedules must meet/exceed the BANC EDAM AS requirement in each hour, and each AS product.

- ii. [NOTE: These BANC Participant AS self-schedule ‘bids’ serve only to protect the AS product capacities from market award/dispatch. They are not ‘bids’ in the sense that they will clear in an AS market. There is no AS market in the EDAM design.]
2. **RSE Upward Capacity Test** – The BANC EDAM Entity must demonstrate that the BANC EDAM BAA has sufficient supply capacity to meet its Day Ahead hourly Load Forecast plus Imbalance Reserve Up capacity requirement in each hour of the trade date.
- a. **CAISO RSE Upward Capacity Requirement:**
    - i. For each hour of the trade date, the CAISO sets the BANC Entity’s EDAM RSE Upward Capacity requirement equal to the BAA’s hourly Day Ahead ELAP Load Forecast, plus the BAA’s Imbalance Reserve Up capacity requirement.
    - ii. CAISO derives the BANC BAA’s hourly load forecast from the sum of the five BANC Participant CLAP Load Forecasts. (All forecasts are provided by CAISO.)
    - iii. The Imbalance Reserve Up capacity requirement is calculated by the CAISO using a fairly complex statistical analysis. The primary input to the analysis is 30-days of historical forecast errors associated with Load and VER resources (Day Ahead forecast compared to FMM forecasts).
  - b. **BANC RSE Upward Capacity Supply:**
    - i. The BANC EDAM Entity demonstrates its RSE Upward Capacity supply via the BANC Participants’ Day Ahead Generator Bids (Economic and Self-Schedule; and including VER bids), and net RSE eligible Import and Export Schedules; plus Imbalance Reserve Up bids. The sum of all BANC Participants’ bids, plus the BAA’s RSE eligible net interchange schedules must meet or exceed the BANC BAA’s hourly RSE Upward requirement for each hour of the trade date.
      - 1. Generator Energy Bids (Including VERs): SCs will supply Economic and Self-Schedule Energy Bids for each hour (to CAISO SIBR System). [NOTE: Only the bid quantities are considered. The offer price is not considered.]
      - 2. Generator Imbalance Reserve Up Bids: SCs will supply Imbalance Reserve Up bids for eligible generators in each hour of the trade date (to CAISO SIBR System).
      - 3. Import Schedules: RSE eligible Import Schedules count towards the supply of RSE Upward Capacity supply.
      - 4. LESS, Export Schedules: RSE eligible Export Schedules are counted as *negative* supply for RSE Upward Capacity (...or can be thought to increase the BAA’s RSE Upward obligation).
3. **RSE Downward Capacity Test** – The BANC EDAM Entity must demonstrate that the BANC EDAM BAA has sufficient downward capacity to meet its Day Ahead hourly Load Forecast less Imbalance Reserve Down capacity requirement in each hour of the trade date.

- a. **CAISO RSE Downward Capacity Requirement:**
- i. For each hour of the trade date, the CAISO sets the BANC Entity's EDAM RSE Downward Capacity requirement equal to its hourly Day Ahead ELAP Load Forecast, *less* its Imbalance Reserve Down capacity requirement.
  - ii. CAISO derives the BANC BAA's hourly load forecast from the sum of the five BANC Participant CLAP Load Forecasts. (All forecasts are provided by CAISO.)
  - iii. The Imbalance Reserve Down capacity requirement is *subtracted* from the BAA's total Load Forecast. It is calculated by the CAISO using a fairly complex statistical analysis. The primary input to the analysis is 30-days of historical forecast errors associated with Load and VER resources (Day Ahead forecast compared to FMM forecasts).
- b. **BANC RSE Downward Capacity Supply:**
- i. The BANC EDAM Entity demonstrates its RSE Down Capacity availability via the BANC Participants' Day Ahead Generator Bids (Economic and Self-Schedule; and including VER bids), and net RSE eligible Import and Export Schedules; *less* Imbalance Reserve Down Bids. The sum of all Participant bids, plus net interchange schedules must meet or be *less than* the BANC BAA's hourly RSE Downward requirement for each hour of the trade date.
    1. Generator Energy Bids (Including VERs): SCs will supply Economic and Self-Schedule Energy Bids for each hour (to CAISO SIBR System).
    2. *LESS*, Generator Imbalance Reserve Down Bids: SCs will supply Imbalance Reserve Down bids for eligible generators in each hour of the trade date (to CAISO SIBR System).
    3. Import Schedules: RSE eligible Import Schedules considered negative RSE Downward Supply; increasing the capacity needed for RSE Downward capacity supply.
    4. *LESS*, Export Schedules: RSE eligible Export Schedules are counted as supply for RSE Downward capacity.

## **EDAM RSE Failure Consequences**

An EDAM BAA is deemed to have failed the EDAM RSE if in any hour, the BAA's supply of RSE capacity is less than the RSE requirement. For a given hour, the shortfall quantities across upward (and separately downward) sub-test capacities are summed by hour to produce hourly EDAM RSE shortfall quantities. The sub-test capacity shortfalls are treated equally – so a shortfall of RSE Upward capacity is treated the same as a shortfall of Reg-Up capacity. Each hour's summed shortfall quantity is subject to financial penalties which are assessed via the CAISO's CC8080 Resource Sufficiency Evaluation Surcharge Settlement charge code. [RSE shortfall consequences are explained in greater detail below.]

It is important to note that RSE failure consequences are only financial. There are no real-time market participation limitations that arise from a Day Ahead RSE failure. In paying the penalty costs (via the settlement charge code), the EDAM BAA is deemed to have 'cured' its RSE shortfall.

## **BANC EDAM RSE Requirement Allocation**

As a broad principle, the BANC Participants desire to equitably share responsibility for meeting the BANC EDAM Entity's RSE requirements. Once the BANC BAA RSE requirements are allocated to BANC Participants, each Participant is responsible for meeting/exceeding their portion of each sub-test requirement.

BANC Participants have agreed that the BANC EDAM Entity will provide a method for each BANC Participant to obtain its share of hourly EDAM RSE requirements for each of the RSE sub-tests. BANC will provide these SC-level RSE requirement MWs up to 7 days in advance of the trade date. BANC will update the requirements in alignment with CAISO's updates, including during the day ahead period. BANC's provision of the RSE requirements is likely to be via a semi-private view in the Entity's OATI EDAM System which all of the BANC Participants will have access to.

BANC will not provide a 'live' tally of RSE supply capacities at the Participant level prior to the execution of the BANC Entity Settlement Allocations. Each Participant is expected to self-determine its RSE supply capacities for each of the RSE sub-tests; and self-assess their 'pass' / 'fail' position in each sub-test. BANC Participants will be able to see the BANC Entity's RSE pass/fail status resulting from the ISO's non-binding RSE executions during the day ahead time frame.

BANC Participants have agreed to allocate the EDAM Entity's RSE Requirements using the methodologies described below. Each of the EDAM RSE sub-tests requires a slightly different allocation method.

### **1. Ancillary Service RSE Requirement Allocation –**

Recall from above that the BANC Entity's EDAM Ancillary Services (AS) requirements are echoed back by the CAISO...after the BANC Operators have provided the BANC BAA AS requirements to the CAISO. The BANC BAA's AS requirements are derived from summing the AS requirements provided by the WAPA-SNR Sub-BA Operators and SMUD Sub-BA Operators. The Operators of both Sub-BAs use an AS requirement determination process based on industry standard best practices.

Today, provision of AS capacity is the responsibility of each of the BANC Sub-BA's Merchant SCs. SMUD's Merchant SC provides 100% of the SMUD Sub-BA AS capacity; and WAPA-SNR's Merchant SC provides 100% of the WAPA Sub-BA AS capacity.

BANC Participants desire to maintain this AS capacity provision relationship in EDAM. Therefore:

- a. The SMUD SC's portion of RSE AS Requirements will be set equal to the AS requirements provided by the SMUD Sub-BA Operators.
- b. The WAPA-SNR SC's portion of RSE AS Requirements will be set equal to the AS requirements provided by the WAPA Sub-BA Operators.
- c. Modesto, Roseville and Redding will not have any RSE AS requirements assigned.

SMUD and WAPA-SNR SCs will individually meet their RSE AS requirements via Day Ahead Self-Schedule Ancillary Service Bids entered for their EDAM Participating Generator Resources. Modesto, Roseville and Redding are not required to make Day Ahead Self-Schedule AS Bids [...nor are they precluded from making these AS Self-schedule bids if desired].

2. **RSE Upward Capacity Requirement Allocation** – Recall from above that the BANC Entity's hourly RSE Energy requirement is equal to the BANC BAA's hourly Day Ahead load forecast, plus its Imbalance Reserve Up requirement. BANC Participants desire to allocate the RSE Upward Capacity requirement via a ratio that uses their Day Ahead CLAP load forecasts.
  - a. For non-WAPA-SNR BANC Participants (Modesto, Redding, Roseville and SMUD), an hourly Day Ahead load forecast ratio will be calculated based on their hourly CLAP Load forecasts as derived by CAISO.
  - b. For each hour of the trade date, the BANC Entity will calculate an hourly RSE Allocation Ratio for each non-WAPA BANC Participant. The Ratio is equal to: The Participant's Day Ahead CLAP load forecast, divided by the sum of all non-WAPA-SNR Participants' load forecasts.
  - c. Then, the BANC Entity will multiply each (non-WAPA-SNR) BANC Participant's hourly RSE Allocation Ratio times the BANC Entity's RSE Upward requirement, less WAPA-SNR's self-supplied hourly load forecast. This will result in an hourly RSE Energy requirement for each non-WAPA-SNR BANC Participant.
  - d. For WAPA-SNR, the RSE Upward Requirement will be set equal to WAPA-SNR's self-supplied (to BANC Entity) hourly load forecast for the trade date.
    - i. This deviation is due to WAPA-SNR's limited ability to adjust supply in the day ahead time horizon. WAPA-SNR's mandated process establishes (and balances) to the load forecast WAPA-SNR determines by 2 days prior to the trade date. Once established (and balanced) WAPA-SNR cannot normally deviate from that 2 day ahead plan. BANC Participants accepted this limitation, and chose to allow WAPA-SNR to use its own 2-day ahead load forecast.
    - ii. The BANC Participants further agreed that WAPA-SNR would not be required to provide Imbalance Reserve Up capacity. The BANC and BANC Participants agreed to this exception due to WAPA-SNR mandates which prevent WAPA-SNR from providing supply that is greater than their customer load. Further supporting this agreement was recognition that WAPA-SNR's load is a very small percentage of the BANC BAA load (~1-4%); and therefore

WAPA-SNR's IRU and IRD requirements could be easily shared and absorbed by the other four BANC Participants.

3. **RSE Downward Capacity Requirement Allocation** – Recall from above that the BANC Entity's hourly RSE Downward requirement is equal to the BANC BAA's hourly Day Ahead load forecast, *less* Imbalance Reserve Down requirement. BANC Participants desire to allocate the RSE Downward Capacity requirement via a ratio that uses their Day Ahead CLAP load forecasts (similar to the approach for RSE Upward requirement allocation).
  - a. For non-WAPA-SNR BANC Participants (Modesto, Redding, Roseville and SMUD ), an hourly Day Ahead load forecast ratio will be calculated based on their hourly CLAP Load forecasts as derived by CAISO.
  - b. For each hour of the trade date, the BANC Entity will calculate an hourly RSE Allocation Ratio for each non-WAPA-SNR BANC Participant. The Ratio is equal to: The Participant's Day Ahead CLAP load forecast, divided by the sum of all non-WAPA-SNR Participants' load forecasts.
  - c. Then, the BANC Entity will multiply each BANC Participant's hourly RSE Allocation Ratio times the BANC Entity's RSE Downward requirement, less WAPA-SNR's self-supplied hourly load forecast. This will result in an hourly RSE Energy requirement for each non-WAPA-SNR BANC Participant.
  - d. For WAPA-SNR, the RSE Downward Requirement will be set equal to WAPA-SNR's self-supplied (to BANC Entity) hourly load forecast for the trade date; or essentially zero MWs. [See reason for this in description of WAPA-SNR's Upward RSE requirement.]

## BANC EDAM RSE Failure Consequences

When the BANC Entity fails the EDAM RSE, the ISO assesses a penalty via CAISO Charge Code 8080. If the BANC Entity fails RSE, it logically follows that one or more BANC Participants failed their portion, which drove the BANC Entity's RSE failure. BANC desires to assess a penalty similar to the CAISO's on each BANC Participant which fails RSE. This includes the case where the BANC Entity passes RSE, but one or more BANC Participants individually fail RSE. In this case, BANC Participants which passed (and provided excess RSE capacities) subsidized deficient BANC Participants. The BANC Participants felt it was important to financially inspire good RSE behavior...even when the BANC Entity is not penalized.

The CAISO's determination of EDAM RSE failure penalties is complex and multilayered. It relies on a separate penalty determination process across three failure possibilities:

1. On-Peak Upward RSE failure
2. Off-Peak Upward RSE failure
3. All hours Downward RSE failure

The BANC process also adopts this penalty determination approach.

The RSE failure consequence allocation also relies on the following definition of Upward and Downward RSE capacities. The sum of shortfall MWs across all of the capacities in each category are deemed the RSE Upward and Downward shortfall quantities:

- Upward RSE Capacities – shortfall MWs are summed to become the Upward RSE shortfall quantity:
  - o RSE Upward Capacity
  - o AS Spin
  - o AS Non-Spin
  - o AS Reg-Up
- Downward RSE Capacities – Shortfall MWs are summed to become the Downward RSE shortfall quantity:
  - o RSE Downward Capacity
  - o AS Reg-Down

The BANC RSE failure penalty determination could not exactly match the CAISO's approach due to the complicated potential for multiple BANC Participants failing simultaneously. But BANC Participants have adopted a process which closely mimics the ISO's process. One important guiding principle of the BANC RSE penalty determination process is that BANC's Participant penalty collections should never be less than the amount owed (by the BANC Entity) to CAISO. It would be acceptable to slightly over-collect from BANC Participants in some circumstances; but BANC should never under-collect – leaving an outstanding debit balance. [In a later section of this document, a method for distributing over-collected penalty dollars is defined.]

### RSE Up Failure Tier Multipliers and Persistence Adders:

The CAISO's RSE penalty approach utilizes Failure *Tier* Multipliers for Upward RSE failures. [These do not apply to Downward RSE failures.] BANC will fall into a single upward failure tier for all on-peak hours, and each off-peak hour failure. The Tiers are determined based on a comparison of the hour's Upward Requirement versus the total BANC Upward RSE shortfall quantity. For example, a single hour's shortfall of RSE Upward capacity supply and Reg Up supply will be summed; and compared to the BANC Upward RSE requirement for that hour to determine the Tiered RSE Up Failure Multiplier. [This approach matches the ISOs approach.] The specific determination of Tiers is defined below:

When the Upward RSE shortfall quantity is:

- **Tier 1** – Less than or equal to: MAX of [ 10 MWs; or 1% of Upward Requirement]
  - o No penalty.
- **Tier 2** - Above Tier 1, and less than 50% of Upward Requirement
  - o Penalty is calculated/assessed.
  - o Penalty multiplier = 1.25 (125%)
- **Tier 3** - Greater than 50% of Upward Requirement
  - o Penalty calculated/assessed.
  - o Penalty multiplier = 2.00 (200%)

CAISO's approach further includes a penalty adder for persistent (multiple day) failures:

- **Persistent Failures**
  - Adds 1% to multiplier for each trade date within 30-day moving window that RSE failure occurred.

The BANC RSE penalty allocation will utilize these Tiers and Persistence multipliers as follows:

- When the BANC Entity fails RSE Up, and is assessed an Up Failure Consequence amount, then the BANC's Failure Multiplier (including any Persistent Failure adders) is passed through to all BANC Participants which failed in the same period.
- If BANC Entity does not fail, then a multiplier of 1.00 (No failure multiplier, and no persistent failure adder) will be applied to BANC Participant failures in the RSE Upward on-peak or off-peak.

## EDAM RSE Up On-Peak Failure Consequences

The RSE upward on-peak failure penalty is determined by first determining the failure quantity, and then using that quantity to determine the penalty amount. Finally, an RSE On-Peak Upward failure credit amount is determined; and used to decrease the overall penalty. [For purposes of this policy, the CAISO and BANC define 'On-Peak Hour' as HE7-22 Monday-Saturday. 'Off Peak Hour' is defined as HE1-6 & HE23-24 Monday-Saturday, plus all day Sun and Holidays.]

### *RSE On-Peak Up Failure Quantity:*

- The CAISO determines the BANC Entity's Upward RSE shortfall quantity for each hour. The RSE On-Peak Up Failure Quantity is set equal to the greatest single hour's Upward RSE shortfall quantity during the 16 hour on-peak period of that day.
- **When the BANC Entity fails On-Peak Upward RSE**, BANC's RSE settlement allocation will use the same methodology as the ISO: For each BANC Participant SC with an on-peak upward failure, calculate that Participant's RSE On-Peak Up Failure Quantity as its greatest hourly Upward RSE shortfall quantity during the 16 hour on-peak period of that day.
- **When BANC Entity does NOT fail On-Peak Upward RSE** and a BANC SC does fail, then the failing BANC Participant's RSE On-Peak Up Failure Quantity would be limited to the single hour(s) shortfall quantity.

### *RSE On-Peak Up Failure Amount:*

- The CAISO determines the EDAM RSE Upward On-Peak penalty amount as **the product of:**
  - The RSE On-Peak Up Failure Quantity applied to all 16 on-peak hours of the failed day (thus the failure quantity is 16 times the largest hour's shortfall MW); and
  - The greater of: two published (on ICE) bilateral electric on-peak block index prices for the applicable location; and
  - The Tier Penalty Multiplier, plus Persistent Failure adder %.
- **When the BANC Entity fails On-Peak Upward RSE**, BANC's RSE settlement allocation will calculate each failing BANC Participant amount using the product described above.
- **When BANC Entity does NOT fail On-Peak Upward RSE**, and a BANC Participant does fail, then for each failed hour the BANC Participant's RSE On-Peak Up Failure Quantity will be multiplied by the greater of: two published (on ICE) bilateral electric on-peak block index prices for the applicable location. [In this case, BANC does not apply the quantity to all 16 on-peak hours.]

### EDAM RSE On-Peak Upward Credit

- The CAISO's penalty process provides an On-Peak Upward Credit for each hour of the 16-hour on-peak period *that the EDAM Entity passed* the on-peak upward RSE evaluations. The RSE On-Peak Upward credit will be calculated (for hours that passed RSE) as **the product of**:
  - RSE On-Peak Up Failure Quantity; and
  - DA BAA hour's ELAP LMPIf the total calculated RSE On-Peak Upward Credit exceeds the RSE On-Peak Upward Failure amount, then the RSE On-Peak Upward penalty is \$0. [The Entity's RSE *penalty* can never become a credit to the Entity.]
- **When the BANC Entity fails On-Peak Upward RSE**, BANC SC's that were eligible for an RSE On-Peak Up Failure amount *charge* in the steps above, will receive a credit (using the CAISO's credit calculation above) in any hour where BANC BAA Entity has passed all RSE evaluations, AND the SC has passed all RSE evaluations.
- **When BANC Entity does NOT fail On-Peak Upward RSE**, any BANC Participant that failed will not receive an RSE On-Peak Upward credit amount. [Recall that the SC in this case has only been deemed to purchase energy in the singular Upward On-Peak failure hour(s), thus there are no non-failure hours which could be *sold back* to calculate a credit amount.]

### EDAM RSE Up Off-Peak Failure Consequences

The CAISO's approach to RSE Up Off-Peak Failure consequences is derived by evaluating each failed hour individually (not as a block).

#### RSE Off-Peak Up Failure Amount:

- The CAISO's Off-Peak Up RSE failure amount is determined for each RSE Up failed off-peak hour as **the product of**:
  - Upward RSE shortfall quantity for the hour; and
  - DA BAA hourly ELAP LMP; and
  - Tier Penalty Multiplier.[Note: No 'credit' amounts applied to off-peak up failure hours.]
- **BANC's RSE Off-Peak Up Failure Amount** will be calculated using the same method as the CAISO, regardless of whether the BANC Entity failed RSE Off-Peak Up in the hour. [Recall, the Tier Penalty Multiplier will be set to 1 in hours that the BANC Entity does not fail.]

### EDAM RSE Downward Failure (Applies to all hours)

- The CAISO's Downward RSE failure amount is determined across the entire trade date for each RSE Down failed hour as **the product of**:
  - Downward RSE shortfall quantity (If quantity is less than 10 MWs, then 0 MWs is used); and
  - BAA's hourly Marginal Energy Cost (MEC)[Note: No Tier multiplier is applied to Downward RSE failures; and no 'credit' amounts are applied to downward failure hours.]
- **BANC's RSE Downward Failure Amount** will be calculated using the same method as the CAISO, regardless of whether the BANC Entity failed RSE Off-Peak Up in the hour.

## Habitual EDAM RSE Failures by a BANC SC:

All BANC Participant's RSE failures will be reported to the BANC Markets Committee each month. At its discretion, the Markets Committee may impose a BANC "RSE Habitual Failure" cost adder percentage of 5, 10, or 20% on a BANC SC that the Markets Committee deems to be habitually failing BANC's RSE policy. The cost adder percent would be applied to the Market Participant for the next calendar month when calculating its RSE Failure costs for hours that the BANC Entity did not fail.

## EDAM RSE Excess Collection Allocation

Using the BANC RSE penalty allocation methods described above, the BANC Entity will sometimes collect more BANC RSE Failure Consequence dollars than it owes to CAISO. In particular this will arise when BANC Entity does not fail RSE, but a BANC Participant does fail. [There are several other rare circumstances in which this can occur.]

BANC's settlement allocations will distribute any BANC excess RSE penalty collections to BANC Participants which did not fail RSE Up or Down in any hour of the trade date. BANC will use RSE Upward Obligation MW ratio approach, where a BANC Participant's RSE Upward (or Downward) requirement is its allocation of the BANC Upward (or Downward) RSE requirement, for distribution of the RSE excess collections. This logically provides a greater portion of the RSE excess collections to the BANC Participants which were obligated (and succeeded) to provide more RSE capacities.

The RSE excess collections distribution ratios will be calculated as:

- A total RSE Excess Upward Obligation Quantity will be determined for each BANC Participant.
  - o For BANC Participants which passed RSE in all hours of the trade date, the value will be set to the total of their RSE Upward Obligation MWs.
  - o For BANC Participants which fail RSE (Upward or Downward) in any hour of the trade date, the quantity will be set to 0 MWs for the trade date. (Excluding them from any of the RSE excess collections).
- Each BANC Participant's RSE Excess Obligation Ratio will be calculated as the Participant's total RSE Excess Obligation Quantity divided by the sum of all Participants' RSE Excess Obligation Quantities. (RSE failed participants would see a 0% ratio.)
- Each Participant's portion of the excess RSE collections will be determined as the product of the Participant's RSE Excess Obligation Ratio; and the RSE excess collections amount.

## EDAM CC8088 - Resource Sufficiency Surcharge Revenue Allocation

When other EDAM Entities experience RSE failure, and pay penalty dollars to the CAISO, the dollars are collected by the ISO (in CC8080), are returned to EDAM Entities which did not fail RSE on the trade date (in CC8088).

This represents another form of "excess" RSE collections. The BANC Participants desire to allocate the BANC Entity's receipts (via CC8088) using the same methodology defined immediately above.

Functionally, the two sources of excess RSE collections may be summed, and allocated via a single process. This is likely to be accomplished in the BANC Entity allocation calculations for this CC8088 charge code.

## RSE Capacity Exchanges Between BANC Participants

BANC Participants desire the ability to trade or exchange EDAM RSE capacity where individual SCs have an excess or shortfall in a given RSE component capacity. BANC considered two options for RSE component capacity bilateral exchange: exchange of supply capacity; or exchange of obligation capacity. Exchange of obligation capacity was chosen.

Obligation capacity is more easily tracked by the BANC EDAM Entity in the day ahead timeframe. Above, this document describes that the BANC EDAM Entity will retrieve and allocate BANC Participant RSE requirements for each RSE component. The BANC EDAM Entity can also capture and adjust BANC Participant RSE requirements based on Participant reported bilateral trades of those obligations. The BANC Entity does not track individual BANC Participant RSE supply capacities in the day ahead time frame (only after the fact via Entity settlement allocations). Therefore, BANC Participants chose to bilaterally exchange EDAM RSE component capacity obligations.

Using a paradigm where EDAM RSE component obligations are exchanged, a BANC Participant experiencing a RSE capacity shortfall for a given hour(s) would contact another BANC Participant. The shortfall Participant would request the counterparty to take on a portion of the shortfall Participant's RSE requirement.

BANC Participants desire capability to exchange obligation capacities for the following RSE components:

- Upward RSE capacity components:
  - RSE Upward Capacity Requirements
  - *AS Spin* Requirements
  - *AS Non-Spin* Requirements
  - *AS Reg-Up* Requirements
- Downward RSE capacity components:
  - RSE Downward Capacity Requirement
  - *AS Reg-Down* Requirements

BANC Participant RSE requirement capacity exchanges will be tracked via a relatively simple software process. The exchange process will be enabled by the BANC EDAM Entity, likely via a minor customization of its OATI EDAM software system(s). A 'bulletin board' type approach has been suggested:

1. One BANC Participant will enter the RSE requirement capacity trade information.
2. The counterparty BANC Participant will 'approve' the trade information.
3. Approved/matched trades will then be incorporated into both bilateral trade partners' BANC Entity allocated RSE requirements.

RSE requirement trade tracking will require a minimal number of data points to be captured by the BANC Entity's systems:

- Buyer SCID
- Seller SCID
- Trade Date
- Trade Hour (HE01 – 24)
- RSE Capacity Obligation Product
- Quantity (Capacity exchanged)

The results of a BANC RSE requirement bilateral trade will be visible to all BANC Participants via the SC's adjusted RSE requirement postings on the BANC Entity view(s). Therefore, these exchanges are not entirely private, however the capacity price agreed to will not be available to any SCs that were not party to the bilateral exchange.

All bilateral EDAM RSE requirement exchange data will be recorded and retained in the BANC Entity's software. The bilateral exchange data points will be made available to the BANC Entity settlement software/process. The BANC Entity's settlement processes will incorporate the data into its calculations of RSE penalties (defined above).

The bilateral settlement of EDAM RSE requirement exchanges will be performed outside of BANC Entity processes – via the BANC Participants existing bilateral trade settlement processes. The BANC Entity will not act as a clearing or settlement agent for the bilateral trade.

**A BANC EDAM RSE Requirement Exchange Example:**

Suppose Roseville finds itself short 10 MWs of RSE Upward supply capacity for a given hour. In the same hour, SMUD has excess RSE Upward capacity available:

1. Roseville merchant traders contact SMUD merchant traders seeking SMUD to take on 10 MWs of Roseville's RSE Upward obligation.
2. SMUD merchant traders review their RSE Upward obligation position, see that they have excess; and agree to take on 10 MWs of Roseville's RSE Upward obligation.
3. Roseville and SMUD negotiate and agree upon a per MW capacity price for the obligation exchange.
4. SMUD merchant traders enter the RSE Upward obligation trade information into a simple BANC Entity software portal:
  - a. Buyer SCID [*Roseville*]
  - b. Seller SCID [*SMUD*]
  - c. Trade Date
  - d. Trade Hour (HE01 – 24)
  - e. RSE Product [*RSE Upward Capacity*]
  - f. Quantity
5. Roseville merchant traders review the information entered by SMUD and "Approve" the bilateral trade.
6. The BANC EDAM entity adjusts Roseville's RSE Upward obligation down by 10 MWs; and SMUDs up by 10 MW.
  - a. The adjustments will be applied to all recalculations of RSE requirements during the day ahead time frame.

- b. The adjustments will be reported to BANC Settlements for inclusion in Entity settlement allocations.
- 7. SMUD and Roseville settle their RSE Upward Obligation bilateral trade with each other directly (outside of the BANC Entity settlement allocation process).

APPROVAL DRAFT

**Balancing Authority of Northern California  
Resolution 26-02-01**

**APPROVAL OF RESOURCE SUFFICIENCY EVALUATION POLICY**

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

WHEREAS, in August of 2023, the BANC Commission concurred with the recommendation of BANC Staff and authorized BANC staff to take all steps in furtherance of CAISO’s Extended Day Ahead Market (“EDAM”) participation by BANC; and

WHEREAS, an element of the EDAM design is a Resource Sufficiency Evaluation (“RSE”) that is designed to ensure that participating EDAM Balancing Authority Area are bringing sufficient resources into the EDAM optimization.; and

WHEREAS, in order to address how EDAM RSE requirements will be managed among the BANC Participants, BANC formed an EDAM RSE Work Group; and

WHEREAS, the BANC EDAM RSE Work Group developed a whitepaper to review and propose BANC policy address this issue; and

WHEREAS, the aforementioned whitepaper was presented to the BANC Markets Committee at its January meeting, where it was approved; and

WHEREAS, based on this approval, BANC Staff recommends that the Commission also approve the whitepaper.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners approve the policy whitepaper and authorize BANC Staff to facilitate its incorporation into the appropriate BANC EDAM business practices and/or procedures.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 18<sup>th</sup> day of February 2026, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Joe Bowers				
City of Roseville	Shawn Matchim				
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

### Agenda Item 6C

1. *Resolution 26-02-02 Authorization of Amended Legal Services Agreement with Braun Blaising & Wynne, P.C.*



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

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

2/12/26

**To: BANC Commission**  
**From: BANC General Manager**  
**RE: Legal Services Agreements**

The BANC Commission has approved a Fiscal Year 2026 budget, which includes budgeted amounts for legal services. The BANC General Manager requests approval of an amended legal services agreement with Braun Blaising & Wynne, P.C. (BB&W), as it exceeds his \$250k delegation, as BB&W has proposed updates to certain provisions in the legal services agreement. This does not affect budgeted amounts.

BB&W has provided legal services to BANC from the time of BANC formation. The BANC budget provides for continuation of services in the areas of general agency support, Market Tracking & Evaluation (PA-4), EIM Participation (PA-5), EDAM Implementation (PA-8), and Resource Projects Development (PA-9). The total legal services budget for 2026 is just over \$1.3M across all of the projects enumerated above and includes the use of additional firms for PA-8. Historically, actual invoiced amounts are below budgeted amounts.

The General Manager asks for authority to execute a revised agreement with BB&W up to the total legal services expenditures contained in the budget, as may be modified by the Commission. The contract is not provided here to avoid details of scope that may contain attorney-client privileged or other confidential information. The resolution requests that the Commission authorize the General Manager to approve the contract in a form acceptable to the General Manager and General Counsel. For BB&W, since BB&W is General Counsel to BANC, we plan to also reach out to member counsel for an independent review of terms.

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 26-02-02**

**AUTHORIZATION OF AMENDED LEGAL SERVICES AGREEMENT  
WITH BRAUN BLAISING & WYNNE, P.C.**

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

WHEREAS, BANC has worked with Braun Blaising & Wynne, P.C. (“BB&W”) since BANC’s formation; and

WHEREAS, BB&W currently serves as General Counsel and also provides other market and project services; and

WHEREAS, the approved and Revised 2026 BANC Budget includes budgeted amounts for legal services; and

WHEREAS, the BANC General Manager’s delegated contracting authority is limited to \$250,000, which may be exceeded by authorized amounts for legal services.

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the General Manager to enter into amended agreements with BB&W, up to the total budgeted amounts for legal services, effective January 1, 2026.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 18<sup>th</sup> day of February 2026, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	Martin Caballero				
City of Redding	Joe Bowers				
City of Roseville	Shawn Matchim				
City of Shasta Lake	James Takahara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

\_\_\_\_\_  
Shawn Matchim  
Chair

\_\_\_\_\_  
Attest by: C. Anthony Braun  
Secretary