Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M. Wednesday, July 26, 2023 555 Capitol Mall, Suite 570 Sacramento, CA 95814

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 July 26, 2023 at 2:00 p.m. at 555 Capitol Mall, Suite 570, Sacramento, CA 95814.

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

 Phone:
 1-646-931-3860 or
 1-301-715-8592
 Meeting ID:
 876 1462 5205
 Passcode:
 183532

 Meeting Link:
 https://us06web.zoom.us/j/87614625205?pwd=VGwyT0k3bFRtekRINFFtSnN6Wmo3dz09&from=addon

Additional Public Meeting Location(s):

In addition to the primary meeting location listed above, any member of the public may also observe the meeting and offer public comment at the following address(es):

City of Shasta LakeCity of Redding4332 Vallecito Street, Training Room (2nd Floor)3611 Avtech Parkway, Executive Conference RoomShasta Lake, CA 96019Redding, CA 96002

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 June 28, 2023.
- B. BANC Operator Report (June).
- C. Compliance Officer Report (July).
- D. PC Committee Chair Report (July).
- E. General Manager's Report and Strategic Initiatives Update.

5 Regular Agenda Items – Discussion and Possible Action.

- A. General Manager Updates.
 - i. Market Updates EIM, EDAM, Markets+, WMEG, WRAP.
- B. Discuss Approach for BANC Participation in CAISO Extended Day Ahead Market (EDAM).
- C. Discuss Planning for BANC 2024 Budget.
- D. Discuss Logistics and Agenda for 2023 Strategic Planning Session.
- E. Member Updates.
- 6 Adjournment.

Balancing Authority of Northern California

Consent Agenda Items

- A. Minutes of the June 28, 2023 BANC Regular Meeting.
- B. BANC Operator Report (June).
- C. Compliance Officer Report (July).
- D. PC Committee Chair Report (July).
- E. General Manager Report and Strategic Initiatives Update.

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

June 28, 2023

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held was held at 555 Capitol Mall, Suite 570, Sacramento, CA 95814.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	Martin Caballero
City of Redding	Nick Zettel, Acting Chair
City of Roseville	Dan Beans
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Absent

Other Participants:

Jim Shetler	General Manager	
Tony Braun	General Counsel	
Kris Kirkegaard	General Counsel Support	
Jon Aust	WAPA	
Jeanne Haas	WAPA	
Arun Sethi	WAPA	

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

ACTION: M/S (Beans/Caballero) to **approve the Consent Agenda**. Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

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

- 5. Regular Agenda Items.
 - A. Appointment of Commission Chair in accordance with BANC JPA Section 11.4:

Mr. Shetler noted that James McFall's two-year term was ending and that he had retired from MID. Commissioners Beans nominated Commissioner Hauser (absent), and Mr. Shetler confirmed that he was open to being appointed. Commissioner Lau seconded, and a voice vote was taken. The participating Commissioners unanimously approved Commissioner Hauser's appointment as BANC Commission Chair.

B. <u>Consider and Possibly Approve Resolution 23-06-01 Resolution Commending and</u> <u>Thanking James McFall for His Service to the Balancing Authority of Northern California.</u>

Mr. Shetler introduced this item and noted that he would be presenting it to Mr. McFall in person, if approved.

ACTION: M/S (Beans/Caballero) to approve Resolution 23-06-01 Resolution Commending and Thanking James McFall for His Service to the Balancing Authority of Northern California. Motion carried by a unanimous roll call vote. (Absent: Commissioner Hauser)

C. General Manager Updates:

i. Market Updates - EIM, EDAM, Markets+, WMEG, WRAP:

Mr. Shetler provided a brief overview of ongoing operations; EIM Committee oversight, including subcommittee updates; an EDAM markets update; and updates on SPP Markets+, WMEG, and WRAP.

D. Review Performance of 2022 BANC Budget vs. Expenditures.

Mr. Shetler provided an update for the Commission and responded to questions from the Commission.

E. <u>Discuss Approach for BANC Participation in CAISO Extended Day Ahead Market</u> (EDAM).

Mr. Shetler reviewed a proposed decision-making timeline, including considerations, potential approaches, and options, with the Commission. Discussion and a question and answer period followed. Mr. Aust provided input and shared considerations and additional information regarding WAPA's public process. No action was taken.

F. Discuss Planning for BANC 2024 Budget.

Mr. Shetler noted that he has begun the process of gathering inputs and plans to have an initial draft available for the Strategic Planning Session in August. He also addressed questions from the Commission.

G. Discuss Logistics and Agenda for 2023 Strategic Planning Session.

Mr. Shetler shared tentative logistics and possible agenda topics. The meeting is planned for the afternoon of Wednesday, August 23rd.

H. Member updates.

Mr. Aust noted the extension of a comment period for the long-term operations (LTO) process that the Bureau of Reclamation (BOR) is going through and encouraged review feedback from customers.

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

He also noted that he would be returning to Denver and Bryan Griess would be representing WAPA in the interim until a new regional manager is named.

The Commission adjourned at 3:09 p.m.

Minutes approved on July 26, 2023.

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 June 2023

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- NWPP Reserve Energy Activations
 - o 0 Qualifying Event requiring activation of NWPP
 - 0 MW Qualifying Event request
 - 0 MW average generation lost
 - o 0 MW maximum generation lost
 - Generating unit(s) and date(s) affected: N/A
 - All recoveries within 0 minute(s): N/A
- USF
 - \circ 1 of 30 days with instances of USF mitigation procedure utilized
 - o 0 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 11 Minutes CAISO network issue
 - Number of BAAL exceedance >10 minutes: 1
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance Quarterly Metric:
 - 2023 Frequency Response Obligation (FRO): -18.8 MW/0.1Hz
 - Q1 Frequency Response Measure (FRM): -40.5 MW/0.1Hz
 - Q1 Number of Under-Performed Events: 0 out of 4

Monthly Notes:

• No additional notes or impacts

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

Compliance Officer Report BANC Commission Meeting July 2023

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

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- NERC issued a Section 1600 Data Request related to Internal Network Security Monitoring with BA applicability on May 25th. The response, currently under review by the BANC General Manager and General Counsel, will be submitted by the July 25th due date.
- An annual review of BANC's compliance documents is currently in process and MCRC participants will be involved with the final review. Updated versions will be brought to the August Commission meeting for review and approval.

BANC MCRC:

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, July $24^{\rm th}$ via teleconference.

PC Committee Chair Report BANC Commission Meeting July 2023

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 continue to work toward demonstrating compliance with PC-related NERC reliability standards.

- TPL-001-5 Transmission System Planning Performance Stability analysis is currently underway.
- FAC-014-3 Simulations Staff is performing powerflow simulations for the FAC-014 System Operating Limit (SOL) assessments. The results will be shared with BANC PC participants by July 28th.
- PRC-023-4 Study Report Draft Staff shared the draft PRC-023-4 report to BANC PC Participants for review and comment by July 14th. Staff will address any received comments, and finalize the report by July 28th.

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

	Estimated				
	PC Standard	% Complete	Notes		
1	FAC-002-3 Interconnection Studies	100%	There are no BES interconnection projects for 2023-24 for BANC PC Participants.		
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	An updated version was sent to external stakeholders and BANC PC Participants on 12/31/2022.		
3	FAC-014-2 Establish and Communicate SOLs	50%	Staff is performing powerflow simulations for the FAC-014 System Operating Limit (SOL) assessments. The results will be shared with BANC PC participants by 07/28/2023.		
4	IRO-017-1 Outage Coordination	0%	Awaiting the completion of the 2023 annual assessment to send to the Reliability Coordinator.		
5	MOD-031-2 Demand and Energy Data	100%	Staff is coordinating the 2023 data request cycle. The two sets of data have been uploaded to WECC. BANC also provided responses to L&I Narrative questions on 03/20/2023.		
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity. Data request to fulfill 13 month cycle for compliance was sent on 02/03/2023.		
7	MOD-033-1 System Model Validation	0%	Data requests and study will be performed later in the year.		
8	PRC-006-5 Underfrequency Load Shedding	100%	The WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector sent out the new 2023 data request, and BANC PC Participants provided BANC PC and the OFSPR their responses for the Southern Island Load Tripping Plan (SILTP) report. The provided data will be aggregated into the coordinated load tripping plan and report for WECC by SMUD. The BANC PC portions of this data request was completed in June.		
9	PRC-010-2 Undervoltage Load Shedding	0%	Another study is due by 12/30/2024.		
10	PRC-012-2 Remedial Action Schemes	80%	New Standard effective on 01/01/2021. Study Plan has been finalized on 04/10/2020. Working on performing studies for each RAS scheme.		
11	PRC-023-4 Transmission Relay Loadability	90%	Staff shared the draft PRC-023-4 report to BANC PC Participants for review and comment by 07/14/2023. Staff will address any received comments, and finalize the report by 07/28/2023.		
12	PRC-026-1 Relay Performance During Stable Power Swings	25%	The study plan was finalized on 04/28/2023 and shared with BANC PC Participants.		

	PC Standard	Estimated % Complete	Notes
13	TPL-001-5 Transmission System Planning Performance	60%	Stability analysis is currently underway.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement. Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation. SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements was 07/01/2021. Ongoing, NERC has declared a GMD event (Kp>7) for reporting purpose. The GMD event duration was from 11/3 2021 3:00pm to 11/4/2021 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/2022). SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/2022). Completed benchmarking and supplemental GMD Vulnerability Assessment of the Near- Term Transmission Planning Horizon (R4 and R8), provided GIC flow information to the BANC PC members (R5 and R9) – Due 01/01/2023.

GM Report BANC Commission Meeting July 26, 2023

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

Outreach Efforts:

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

LADWP/Seattle City Light/SRP

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

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports continue to show that BANC is seeing benefits from EIM participation, with the 1st Quarter 2023 report showing gross benefits of \$44.63 million for BANC, with a total of \$502.11 millions of gross benefits for BANC since joining in 2019.

With respect to BANC EIM Phase 2 effort, BANC has been passing both the EIM Capacity and Flex Ramp tests with a high success rate. Both the Technical Evaluation Subcommittee and the Settlements Subcommittee are meeting routinely and evaluating EIM operations, with reports out to the EIM Committee. The Settlements group is currently discussing with the Settlements Subcommittee the pros and cons of increasing the level of guarantee transfer from the EIM Participants to BANC. We are also discussing with the EIM Committee how to move forward with accounting for non-participating demand response in EIM, at least for SMUD.

EDAM Participation

The CAISO provided a review of the final EDAM straw proposal to the EIM Governing Body/CAISO Board of Governors at their December 14, 2022, meeting.

The CAISO obtained approval by the EIM Governing Body/Board of Governors at their February 1, 2023. BANC attended the February meeting and made supportive comments consistent with the Commission approved EDAM talking points. BANC is participating with other interested EDAM parties and the CAISO on EDAM tariff development. The draft tariff was posted on March 30, 2023. BANC filed comments on the tariff in early May in general support of the proposed EDAM tariff. Stakeholder meetings are scheduled for May, June, and July with filing at FERC now forecasted by mid-August, likely with the Day Ahead Market Enhancements (DAME) upgrades as well.

A group of Western state regulators (AZ, CA, NM, OR, and WA) have sent a letter to CREPC/WIRAB supporting the creation of an independent entity that would leverage the existing CAISO infrastructure for EIM and eventually EDAM to develop a cost-effective West-wide market. This would include a range of market services from EIM to EDAM to an RTO. It also deals with the CAISO governance issue by creating a separate independent entity. BANC views this as a positive development in ensuring a West-wide market that will include CA.

Other Market Developments

In parallel with the re-initiation of the EDAM process, two other West-wide market developments are also in process:

- 1. SPP has announced its "Markets +" effort to support utilities in the West with a range of market options from EIM to full RTO services. SPP provided a final straw proposal in late 2022. SPP has received funding from twenty-two entities for the next phase of the market development. Staff views Markets+ as a fallback option for BANC and will continue to monitor this market option but does not plan on seeking funding for participation in this next phase of their efforts. SPP is currently forecasting a Markets+ tariff ready for filing at FERC by the end of 2023.
- 2. A group of Western utilities have formed a group called Western Market Exploratory Group (WMEG) with a stated purpose of identifying what a full market in the West should entail. They have hired Utilicast to assist in this effort. BANC has executed the necessary agreements to participate in the WMEG as authorized by the Commission at the May meeting. The WMEG selected E3 to conduct a cost benefits analysis considering different future market options. As noted in prior communications, BANC has elected not to fund and formally participate in this study. However, BANC supported providing data for the study and will be provided the overall results of the study. The cost benefit study and other WMEG efforts were completed in June 2023 and the project was declared completed as of June 30, 2023.

WAPA:

Market Engagement

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

We have also held several discussions with WAPA-SNR on how staff could assist in their decision-making on EDAM participation. This has included more detailed discussions with the Brattle Group on the benefits study and joint discussions with the CAISO.

WECC

WECC Board Meetings

The last set of Board and committee meetings were held on June 6-7, 2023, in Salt Lake City, UT. The next set of meetings will be September 13-14, 2023, in Vancouver, BC, Canada. This will also be the annual members meeting.

Western Power Pool (WPP)

Resource Adequacy Project

As agreed previously, BANC has informed WPP that it will not be participating in the Western Resource Adequacy Program (WRAP) due to our lack of ability to have firm, long-term transfer capability at Mid-C, which is the hub for the WRAP interchanges. BANC continues to monitor development of the WRAP and hold periodic discussions with WPP regarding our ability to participate in the future. SPP has indicated that they intend to use the WRAP as the model of a Resource Adequacy program for "Markets +" development. However, an entity does not have to be a WRAP participant to join "Markets+" but does need to have an equivalent Resource Adequacy program. WPP filed the tariff for the WRAP at FERC on August 31, 2022. There were some interventions filed by the September 30, 2022, due date. BANC has filed a "plain vanilla" intervention in order to be able to monitor the proceedings. FERC issued a deficiency letter to WPP on November 21, 2022, and WPP submitted a response on December 12, 2022. FERC provided tariff approval on 2/10/23. WPP has issued requests to the WRAP participants for additional funding to continue the effort into 2023 and \sim 20 parties have agreed to provide funding. The new WPP independent board held its first public meeting on May 31, 2023.

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.

CDWR Delta Pumping Load:

BANC is coordinating with SMUD, CDWR, WAPA, and the CAISO regarding how the construction and pumping loads and ancillary services will be provided for this project. The CAISO has reached out to BANC/SMUD/WAPA-SNR regarding contacts for initiating discussions on how CAISO will supply energy for the construction loads in our footprints. With the Governor's announcement that the project will be downsized from two to one tunnel, CDWR has withdrawn the current applications and will be submitting revised environmental documentation. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule and SMUD is initiating updated studies. The current schedule for the project is to initiate construction in 2030 with operations initiated in 2040.

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. The final, initial report was issued on 3/15/21. The CEC did reach out to the POU BAAs via CMUA in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. The POU BAAs are coordinating via CMUA on how to engage in this request. A subgroup of the POU BAAs, including BANC, participated in a Joint Agency SB100 workshop on June 2, 2021. We have also had several follow-up discussions with the Joint Agencies. Based upon recent discussions, the POU BAAs have hired a consultant via CMUA to assist in this effort. We are also working on concepts for a reliability analysis effort and providing current known interconnection queue information as well as forecast renewable resource procurement assumptions. The Joint Agencies have also indicated that they will be initiating the next cycle of the SB100 effort to support issuing an update report by the required date of 1/1/25. The CEC has indicated that they intend to reengage in the dialogue on this effort in the near future.

Western Electricity Industry Leaders (WEIL) Group

The WEIL CEOs last met on March 3, 2023, in San Diego, CA. The next meeting of the WEIL group is planned for September 29, 2023, in Portland, OR.

Strategic Initiatives

The 2022/2023 Strategic Initiatives updates are attached to this report.

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1	INDEPENDENCE	Effectively oversee the BA	Jim Shetler	Ongoing	See monthly Ops, PC,
Medium		operations.			Compliance, & GM Reports
2		Maintain long-term succession	Jim Shetler/Commission	Ongoing as	On hold for 2023
Medium		plan and traits for General		Necessary	
		Manager			
3		Develop appropriate policies,	Jim Shetler/BB&W	4th Qtr. 2023	Initiating staff discussions
Medium		procedures, & action tracking			
4	OUTREACH	Engage in industry forums	Jim Shetler	Ongoing	Attend RC West, WECC
Medium		(WECC, RC West, NWPPA, etc.)			Board, WEIL, & NWPP
					Exec. Forum meetings
5		Coordinate with other POU BAs	Jim Shetler	Ongoing	Coordinating with SCL/SRP/
Medium		(Ca and regionally)			LA/TP/TID on EIM/EDAM &
					SB100
6		Outreach to regulatory and	Jim Shetler/BB&W/WEL	Ongoing as	FERC update discussion 1/12
Medium		legislative bodies on key issues		Necessary	Coordinating on EDAM issues
7		More formal engagement with	Jim Shetler/BB&W/WEL	Ongoing	Continue periodic discussions
Medium		TID on BA/EIM/EDAM issues			on areas of collaboration
8	ASSETS	Establish BANC criteria for RA	Jim S./Res. Com.	4th Qtr. 2022	Resource Committee and
Medium					Commission approved in Feb.
9	MEMBER SERVICES	Identify and outreach to	Jim Shetler	Ongoing as	
Low		potential new BANC members		Appropriate	

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
10 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
11 High		EDAM evaluation effort ~ CAISO Stakeholder Process	Jim Shetler/BB&W/WEL	Dec-22	EIM GB/BOG approved 2/1
		 CAISO Tariff Development BANC EDAM participation decision 	Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL/ Commission	Mid-2023 4th Qtr. 2023	Comments submitted Reviewing partn. options w/ EIM Committee
12 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, & Tacoma
13 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Support letter for EDAM Coordinating on ACR188
14 High		Market Regionalization: ~Monitor ongoing discussions at WEIL & other venues	Jim Shetler/BB&W/WEL	Ongoing	Participating at WEIL/WMEG
15 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	CEC to reengage in July
16 Medium	ASSETS	 Evaluate state & federal funding for BANC projects Evaluate future BANC projects 	Jim S./BB&W/Res. Com. Jim S./BB&W/Res. Com.	2nd Qtr. 2023 12/1/23	Follow-on discussion w/ GSCE; Developing LOI
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	