

Balancing Authority of Northern California

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a special meeting of the Commissioners of the Balancing Authority of Northern California (BANC) will be held on **May 7, 2020 at 1:00 p.m. The meeting will be telephonic only.**

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

Phone number: 1-408-418-9388
Meeting number (access code): 627 972 634

AGENDA

- 1 Call to Order.**
- 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 Approval of the Minutes of the Regular Commission Meeting held on April 22, 2020.**
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. Consider and Possibly Approve Resolution 20-05-01 *Approval of Revised 2020 Annual Budget for BANC.*
 - B. Consider and Possibly Approve Resolution 20-05-02 *Authorization of Amended Legal Services Agreement with Braun Blaising Smith Wynne, P.C.*
 - C. Consider and Possibly Approve Resolution 20-05-03 *Authorization of EDAM Cost Sharing Agreement with WAPA-SNR.*
- 6 Adjournment.**

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

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

April 22, 2020

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) was held telephonically.

Representatives Present:

Member Agency	Commissioner
Modesto Irrigation District (MID)	James McFall
City of Redding	Dan Beans, Chair
City of Roseville	Michelle Bertolino
Sacramento Municipal Utility District (SMUD)	Arlen Orchard
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Paul Hauser

Agency	Liaison(s)
Western Area Power Administration (WAPA)	Sonja Anderson Arun Sethi Jeanne Haas

1. Call to Order: Ms. Kirkegaard took roll call to establish that a quorum was present, and Chair Beans called the meeting to order at 2:08 p.m.
2. Matters Subsequent to Posting the Agenda: Mr. Shetler also noted that he would like to ask the BANC Operator to brief the Commission on the actions being taken by BANC related to COVID-19 under the Consent Agenda item.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: With respect to actions being taken by the BANC related to COVID-19, Mr. Mark Willis briefed the Commission. Power System Operators and other support staff have started sequestration shifts following COVID-19 testing. The shelter-in-place plans will continue until further notice, pending development of final plans and criteria that will be used to determine when the sequestration will end. All those involved did an outstanding job to implement this plan.

Ms. Bertolino moved, Mr. McFall seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on March 25, 2020; (B) BANC Operator Report for March; (C) Compliance Officer Report for April; (D) PC Committee Chair Report for April; and (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)

5. Regular Agenda Items – Discussion and Possible Action:

- A. Mr. Shetler updated the Commission on EIM. BANC completed its first full year of operations in early April with SMUD as the only participant. Per the CAISO study methodology, gross benefits for BANC/SMUD have been reported as approximately \$22 million for the first year of BANC EIM operations.

Regarding EIM Phase 2, Mr. Shetler provided the following work group updates: Deviation Band, WAPA Transmission, BANC Settlements, and RS Tests. Progress continues to be made within all groups. The Deviation Band work group is working on a concept around whether the deviation band could be used to support the flex test that Redding, Roseville, and MID will have to meet as a part of EIM; a proposal has been developed and will be reviewed with WAPA in an upcoming meeting. With respect to Transmission, a preliminary agreement has been reached regarding how transmission access will be made available to the EIM market, and this will be discussed further as a part of WAPA's OATT process. Regarding Settlements, the allocation methodology has been developed and documented in a Draft EIM Settlements Allocation Manual. This group will address invoicing, cash clearing, disputes, and revisions next. For RS Tests, the balance test approach is near final and flex ramp discussions are being initiated.

Finally, metering data submittal is underway, and in May, WAPA is scheduled to begin rate/OATT proceedings. Draft BANC Business Practices (BP) are in process in support of this effort, and the EIM Committee has approved the use of those draft practices as a part of WAPA's OATT process. The EIM Committee will review/finalize the BPs this summer, and the settlements manual mentioned previously will be included as one of the attachments to those BPs. The final BPs will be brought to the Commission for approval.

- B. With regard to EDAM, Mr. Shetler updated the Commission on the delay of the CAISO Bundle 1 Issue Paper (Transmission, Resource Sufficiency, Congestion Revenues) from early April to mid-June, resulting from COVID-19 impacts and the need to focus on Day Ahead Market Enhancements (DAME) proposals. The EIM Entities are using the additional time to refine the details in their own proposals and engage in stakeholder outreach.

Mr. Braun briefly reviewed the latest with regard to Governance Review Committee (GRC) efforts. Multiple meetings have been held recently, and a revised governance proposal is targeted for mid-June.

- C. Mr. Shetler gave a brief Senate Bill 100 study status update. Comments were filed with the Joint Agencies in early March. Outreach is in process to determine how BA comments will be handled. A draft report from the Joint Agencies is expected in June followed by approval in the fall of 2020 and submittal in early 2021.
- D. Recognizing that BANC member revenues may be impacted by COVID-19, Mr. Shetler and BANC legal staff reviewed BANC's 2020 budget to identify any potential cost savings. Potential reductions related to travel, legal support, consultant support, contingency amounts, and the EDAM and EIM Participation project agreements were identified. The total proposed budget reductions for 2020 amount to just over \$450,000, with some costs deferred to the 2021 budget. With the Commission's support, Mr. Shetler will bring a budget amendment, along with an amendment to the Braun Blaising Smith Wynne, P.C. services agreement to the next Commission meeting.

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

- E. Mr. Shetler reviewed plans for the BANC strategic planning session, currently scheduled for Wednesday, August 26th, with an estimated time frame of 10 a.m. – 2 p.m., at 555 Capitol Mall, 3rd Floor Board Room. Mr. Shetler will also begin outreach meetings with Commissioners as soon as possible, given the current challenges related to COVID-19.
6. Closed Session: The Commission retired to closed session at 2:45 p.m. for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9; one case. The Commission adjourned from closed session at 3:01 p.m., where no action was taken.

Minutes approved on May 7, 2020.

C. Anthony Braun, Secretary

Balancing Authority of Northern California

Agenda Item 5A

1. *Resolution 20-05-01 Approval of Revised 2020 Annual Budget for BANC.*

2020 BANC Budget

May 2020 Revision

Staff, in conjunction with Braun, Blaising, Smith, Wynne (BBSW), has identified potential savings in the 2020 BANC Budget to assist the BANC Members with their current revenue reductions from the COVID-19 impacts. Staff is recommending that the Commission adopt these budget adjustments. The following provides background and recommendations as were discussed with the Commission at its meeting on April 22, 2020:

BANC Base Budget

BACKGROUND AND RECOMMENDATIONS

In reviewing the Base Budget, staff identified the following areas for cost savings:

1. General Manager Expenses: Based upon the recent and expected future restrictions on travel, it is recommended that the expenses for the General Manager support can be reduced from \$30,000/year to \$15,000/year, for a savings of \$15,000. In addition, it was discovered that there was a calculation error that added \$5,000 to the original budget estimate. This results in a total budget savings of \$20,000.
2. Legal Services: BBSW has reviewed their expenses for base legal support and is recommending reducing this item from \$585,000/year to \$540,000/year, for a savings of \$45,000.
3. NWPP Membership Payments: No reduction recommended.
4. Resource Committee Support: The budget assumed consultant support to assist in facilitating reviews of the member integrated resource plans and to develop potential recommendations for coordinated BANC-wide programs/projects in response. Based upon discussions at the Resource Committee, we have determined to defer this effort for 2020. Therefore, it is recommended that the dollars set aside for consultant support can be eliminated for 2020 for a savings of \$150,000.
5. Asset Valuation: No reduction recommended.
6. Contingency: Staff normally includes a 5% contingency in the Base Budget. After reviewing the planned efforts for 2020, it is recommended that the contingency be reduced from \$115,000 to \$50,000 for a savings of \$65,000.
7. Total Base Budget: Based upon the above recommendations, it is proposed to reduce the total Base Budget from \$2,391,866 to \$2,111,866 for a savings of \$280,000.

IMPACT ON 2020 BUDGET

Attachment A includes an updated revision to the 2020 BANC Base Budget including member breakdown.

BANC Participation Agreement Budgets

BACKGROUND AND RECOMMENDATIONS

BANC currently has seven participation agreements (PAs) with a subset of the members and WAPA-SNR. Two of these PAs (PA-3 and PA-6) are closed due to work having been completed. Staff reviewed the other five PAs and are recommending the following regarding the May 2020 BANC Budget adjustment:

1. PA-1: PC Services: No reduction recommended.
2. PA-2: RC Funding: No reduction recommended.
3. PA-4: EDAM Evaluation: Due to the recent schedule delay announced by the CAISO, it does appear that the level of effort will be reduced over the next several months. Based upon discussions with BBSW, it is recommended that the legal support for this PA be converted to a fixed, flat fee of \$15,500/month starting in April-December with actual expenses for January-March. This is forecast to result in a savings of \$23,000.
4. PA-5: EIM Participation (Phase 1): The ongoing EIM effort assumed expenditures for EIM stakeholder support. Due to the focus on EIM Phase 2 and EDAM we have not seen a need to set up separate stakeholder support for ongoing operations. It is recommended that this line item be eliminated from the 2020 budget and revisited for the 2021 Budget. This will result in a \$150,000 savings.
5. PA-7: EIM Phase 2 Implementation: No reduction recommended.
6. Total PA Budget: Based upon the above recommendations, it is proposed to reduce the PA budgets for a total savings of \$173,000.

IMPACT ON 2020 BUDGET

Attachment A includes an updated revision to the 2020 BANC PA Budgets.

Impact on 2020 Member Assessments

The impact to the 2020 BANC Budget as a result of the above adjustments is a reduction of \$453,000. The changes in 2020 member and WAPA assessments due to the above described budget adjustments are summarized on the last page of Attachment A.

**Balancing Authority of Northern California
Resolution 20-05-01**

APPROVAL OF REVISED 2020 ANNUAL BUDGET FOR BANC

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

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

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

WHEREAS, the General Manager worked to develop a revised budget to support the fiscal challenges faced by BANC members as a result of impacts related to COVID-19; and

WHEREAS, the General Manager has prepared exhibits incorporating revisions to the base budget, PA-4: EDAM Evaluation, PA-5: EIM Participation (Phase I), and 2020 BANC Budget Member Assessments for consideration and possible adoption by the Commission.

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

1. Approve the amended sections to the 2020 Annual Budget for BANC in the form attached hereto as Attachment A.
2. Directs the BANC Treasurer to assess each BANC Member in accordance with Resolution 12-02-03 and WAPA in accordance with the existing agreement (19-SNR-02253) between BANC and WAPA.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 7th day of May 2020, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Dan Beans				
City of Roseville	Michelle Bertolino				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Dan Beans
Chair

Attest by: C. Anthony Braun
Secretary

PROPOSED AMENDMENT

BANC 2020 Budget

May 2020

1. Base Budget

- a. General Manager Expenses = **\$359,000**~~339,000~~
 - i. Scope: General Manager retainer (@\$27,000/mo.)/bonus and expenses (@\$2,500~~1,250~~/mo.)
 - ii. Assumptions: Increase in approved retainer based upon proposed contract amendment and reduced travel expenses

- b. Legal Services (BBMS) = **\$585,000**~~540,000~~
 - i. Assumptions: No increase in base legal services from 2019, with the notation that additional legal services may be required based on the level of activity in Market Engagement

- c. NWPP Membership Payments = **\$100,000**
 - i. Scope: Covers NWPP charges to BANC as an NWPP member, including RSG, FRSG, and Executive Forum

- d. Resource Committee Support = **\$150,000**
 - i. Scope: Potential follow-on consultant support for evaluating IRP recommendations and coordination with members. Also, potential consultant support for SB100 report development.

- e. Asset Valuation = **\$1,082,866**
 - i. Energy Management System
 - 1. Assumptions:
 - a. Amortized capital cost, excluding EIM module (BANC share) = \$593,924
 - b. Annual Siemens support cost (BANC share) = \$98,942
 - 2. Total = \$692,866

 - ii. Energy Management Center/Backup Control Center
 - 1. Assumptions:
 - a. Total estimated amount for EMC+BCC= \$~1,300,000/year
 - b. TOP/BA share is 75% = \$975,000
 - 2. BANC share of TOP/BA= 40% = \$390,000

Attachment A to Resolution 20-05-01

f. Sub-total = **\$2,276,866,061,866**

g. Contingency (~5%): **\$~115,00050,000**

Total = **\$2,391,866,2,111,866**

Member Breakdown Comparison of 2019 vs. 2020 Base Budgets:

MEMBER ALLOCATION	2019	2020 - R2	2020
SMUD (68.8%)	\$1,588,678.94	\$1,446,198.14	\$1,640,238.14
MID (16.5%)	\$380,549.36	\$346,419.76	\$392,899.76
ROSEVILLE (7.8%)	\$181,104.81	\$164,862.41	\$186,982.41
REDDING (5.0%)	\$114,623.30	\$104,343.30	\$118,343.30
SHASTA LAKE (1.2%)	\$27,509.59	\$25,042.39	\$28,402.39
Subtotal	\$2,292,466.00	\$2,086,866.00	\$2,366,866.00
TPUD (fixed)	\$25,000.00	\$25,000.00	\$25,000.00
SHASTA LAKE (fixed)	\$-	\$-	
TOTAL	\$2,317,466.00	\$2,111,866.00	\$2,391,866.00

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

a. Assumptions:

- i. PA-1 effort started 7/1/16; 2017 is pilot year; Full compliance achieved 1/1/18
- ii. SMUD to provide contract PC services to BANC
- iii. Original Base Cost to BANC = \$250,000/year plus
 - 1. \$35,000 for overview assessment of full BANC footprint
 - 2. \$10,000 contingency to allow for SMUD to consider labor rate increase.
 - 3. In order to meet NERC Reliability Standard TPL-007-2 we will need to procure GE PSLF Geomagnetic Disturbance Tool. A one-time procurement cost of \$15,000 was incorporated in 2019 Budget. A \$3,000/year charge will be incurred each year thereafter, starting in 2020.
 - 4. Total cost for 2020 = \$298,000
- iv. WAPA-SNR does not participate, TPUD and Shasta lake embedded within WAPA-SNR; all other members participate
- v. Cost to be allocated based upon 50% to SMUD and 50% to remaining members prorated by share of generation/60kV and above buses among the remaining members
 - 1. SMUD = (50%)
 - 2. MID = (30%)
 - 3. Redding = (9.5%)
 - 4. Roseville = (10.5%)

b. Estimated costs by member:

MEMBER	PA-1 ASSESSMENT
SMUD (50%)	\$149,000.00
MID (30%)	\$89,400.00
REDDING (9.5%)	\$28,310.00
ROSEVILLE (10.5%)	\$31,290.00
TOTAL	\$298,000.00

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

a. Assumptions

- i. BANC transitioned from Peak RC to RC West (CAISO) for RC services on 7/1/19. BANC and other BANC Funding Parties paid Peak for RC services and wind down costs for entire year of 2019 and closure in 2020 all in 2019. RC West will provide RC services starting on 7/1/19 going forward with first invoice for 2019 and 2020 RC services being paid in January 2020.
- ii. RC West Funding
 - 1. BANC joins CAISO RC effective 7/1/19
 - 2. TPUD and Shasta Lake embedded within WAPA-SNR, which becomes a TOP Funding Party under CAISO tariff
 - 3. MID and SMUD become TOP Funding Parties under CAISO tariff
 - 4. BANC pays the remaining amount allocated to the BA footprint per CAISO tariff for Redding and Roseville
 - 5. RC West charge-out rates:
 - a. 7/1/19-10/31/19 = \$0.0134/MWH
 - b. 11/1/19-12/31/19 = \$0.0273/MWH
 - c. 1/1/20-12/31/20 = \$0.029/MWH
 - 6. 2017/2018 NEL
 - a. Roseville = 1,249,280 MWH/1,199,896 MWH
 - b. Redding = 798,841 MWH/756,263 MWH

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

MEMBER	2019 ASSESSMENT	2020 ASSESSMENT	TOTAL
SMUD (65.4%)	\$-	\$-	
MID (15.0%)	\$-	\$-	
ROSEVILLE (7.3%)	\$11,264.34	\$34,796.98	\$46,061.32
REDDING (4.6%)	\$7,202.89	\$21,931.63	\$29,134.52
MEMBER TOTAL	\$18,467.23	\$56,728.61	\$75,195.84
WASN (7.7%)	\$-		
TOTAL	\$18,467.23	\$56,728.61	\$75,195.84

Attachment A to Resolution 20-05-01

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

5. Participation Agreement #4 (PA-4) – Extended Day-Ahead Market (EDAM) Evaluation – **Revision 2**

a. Assumptions

- i. BANC participates in the EDAM as an EIM/EDAM Entity
- ii. All Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in effort. Cost allocation as follows:
 - 1. SMUD – 63.5%
 - 2. MID – 14.4%
 - 3. WAPA-SNR – 10.9%
 - 4. Roseville – 6.8%
 - 5. Redding – 4.4%
- iii. EDAM program development, including initial cost/benefit analysis, finalized 3rd Qtr. 2019. Second cost/benefit analysis 3rd Qtr. 2020 after market design finalized.
- iv. Formal CAISO stakeholder process initiated 3rd Qtr. 2019 – 3rd Qtr. 2020
- v. CAISO tariff filings and market implementation late 2020 - 2021
- vi. EDAM “go-live” no earlier than Spring 2022

b. Estimated costs for EDAM evaluation under PA-4 are initial estimates based upon discussions among the EIM entities, CAISO, and BANC staff, including revised BBSW support **at actual expenses through March and flat, fixed monthly fee for April-December, for a \$23,000 savings.**

IMPLEMENTATION CATEGORY	Rev. 1 COST ESTIMATE	Rev. 2 COST ESTIMATE	Revised SMUD	Revised MID	Revised WAPA-SNR	Revised Roseville	Revised Redding
Legal Support	\$220,000.00	\$197,000.00					
Consultant Support							
~ Cost Eval. (Utilicast)	\$25,000.00	\$25,000.00					
~ Update Ben. Anal.(Brattle)	\$40,000.00	\$40,000.00					
~ Market Dev, Spt. (TBD)	\$50,000.00	\$50,000.00					
~ Total	\$115,000.00	\$115,000.00					
Total Estimate	\$335,000.00	\$312,000.00					
Contingency	\$45,000.00	\$45,000.00					
TOTAL for 2020	\$380,000.00	\$357,000.00	\$226,695.00	\$51,408.00	\$38,913.00	\$24,276 .00	\$15,708.00

Attachment A to Resolution 20-05-01

6. Participation Agreement #5 (PA-5) – EIM Participation (Phase 1)

- a. Assumptions
 - i. BANC participates as EIM Entity/Phase 1 starting 4/3/19
 - ii. SMUD only Participating Resource and cost allocation
- b. Cost estimates based on GridSME evaluation, EIM Services Agreement, and latest estimates, **except no EIM Stakeholder Support of \$150,000.**

IMPLEMENTATION CATEGORY	COST ESTIMATE
Personnel - EIM Desk (5)	\$1,587,138.00
Personnel - Settlements (0.5)	\$118,118.00
Personnel - Outage Mgmt (0.4)	\$126,971.00
Personnel - Netwk Model (1)	\$267,843.00
Personnel - Meter Data Mgmt (0.5)	\$39,648.00
Personnel - SME/Oversight (0.4)	\$171,179.00
Personnel - IT Support (0.25)	\$55,853.00
Personnel Total (8.15)	\$2,366,750.00
3% Labor Adjustment	\$71,002.50
Personnel Total	\$2,437,752.50
EIM Software Support	
- ITOA	\$20,000.00
- WebEIM	\$40,000.00
EIM Software Support Total	\$60,000.00
EMS EIM Module	
- Amortized Capital	\$52,978.00
- O&M Support	\$10,000.00
EMS EIM Module Total	\$62,978.00
Legal Support	\$30,000.00
EIM Stakeholder Support	\$-
CAISO Charges	
- Fees	\$250,000.00
- Uplifts	\$500,000.00
CAISO Charges Total	\$750,000.00
TOTAL for 2019	\$3,340,730.50

Attachment A to Resolution 20-05-01

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

8. Participation Agreement # 7 (PA-7) – EIM Phase 2 Implementation – **Revision 1**

a. Assumptions:

- i. MID, Redding, Roseville, and WAPA-SNR/Reclamation decide to move forward by August 2019 as Participating Resources. BANC will be the EIM Entity.
- ii. Initiate EIM Phase 2 Implementation with CAISO starting in September 2019 with go-live April 2021.
- iii. Cost estimates are based upon GridSME report, EIM Phase 2 Gap Analyses, and current best estimates. Includes reallocation of Utilicast costs, increases in SMUD PM support, hiring senior settlements position mid-2020 to allow for orientation and training, final software estimates, and final CAISO implementation fee. Reduces contingency from 10% to 5%.
- iv. Costs will be shared among the four participants as follows:
 1. MID: 39.4%
 2. WAPA-SNR: 29.8%
 3. Roseville: 18.8%
 4. Redding: 12%

IMPLEMENTATION CATEGORY	COST ESTIMATE	MID	REDDING	ROSEVILLE	WAPA
Utilicast Support	\$614,426.60	\$242,084.08	\$73,731.19	\$115,512.20	\$183,099.13
Software Upgrades	\$1,080,000.00	\$425,520.00	\$129,600.00	\$203,040.00	\$321,840.00
SMUD PM & Settle. Support	\$403,800.00	\$159,097.20	\$48,456.00	\$75,914.40	\$120,332.40
Legal Support	\$128,000.00	\$50,432.00	\$15,360.00	\$24,064.00	\$38,144.00
CAISO Implementation Fees	\$135,000.00	\$53,190.00	\$16,200.00	\$25,380.00	\$40,230.00
Total Estimate	\$2,361,226.60	\$930,323.28	\$283,347.19	\$443,910.60	\$703,645.53
Contingency @~5%	\$131,086.52	\$51,648.09	\$15,730.38	\$24,644.27	\$39,063.78
TOTAL for 2020	\$2,492,313.12	\$981,971.37	\$299,077.57	\$468,554.87	\$742,709.31

Attachment A to Resolution 20-05-01

9. 2020 BANC Member Assessments – Revision 2

MEMBER	BASE BUDGET	PA-1: PA/PC	PA-2: RC West	PA-4: EDAM	PA-5: EIM Part.	PA-7: EIM P2 Imp	2020 REV 2 TOTAL	2020 REV 1 TOTAL
SMUD	\$1,446,198.14	\$149,000.00	\$-	\$226,695.00	\$3,340,730.50	\$-	\$5,162,623.64	\$5,521,268.64
MID	\$346,419.76	\$89,400.00	\$-	\$51,408.00	\$-	\$981,971.37	\$1,469,199.13	\$1,518,991.13
ROSEVILLE	\$164,862.41	\$31,290.00	\$46,061.32	\$24,276.00	\$-	\$468,554.87	\$735,044.60	\$758,728.60
REDDING	\$104,343.30	\$28,310.00	\$29,134.52	\$15,708.00	\$-	\$299,077.57	\$476,573.39	\$491,585.39
SHASTA LAKE	\$25,042.39	\$-	\$-	\$-	\$-	\$-	\$25,042.39	\$28,402.39
TPUD	\$25,000.00	\$-	\$-	\$-	\$-	\$-	\$25,000.00	\$25,000.00
BANC TOTAL	\$2,111,866.00	\$298,000.00	\$75,195.84	\$318,087.00	\$3,340,730.50	\$1,749,603.81	\$7,893,483.15	\$8,343,976.15
WASN	\$-	\$-	\$-	\$38,913.00	\$-	\$742,709.31	\$781,622.31	\$784,129.31
GRAND TOTAL	\$2,111,866.00	\$298,000.00	\$75,195.84	\$357,000.00	\$3,340,730.50	\$2,492,313.12	\$8,675,105.46	\$9,128,105.46

Balancing Authority of Northern California

Agenda Item 5B

- 1. BBSW Engagement for Legal Services/Fiscal Year 2020.**
- 2. Resolution 20-05-02 *Authorization of Amended Legal Services Agreement with Braun Blaising Smith Wynne, P.C.***

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

May 1, 2020

Jim Shetler
General Manager
Balancing Authority of Northern California (“BANC”)
P.O. Box 15830
MS D109
Sacramento, CA 95852

Re: Engagement for Legal Services/Fiscal Year 2020

Dear Jim:

Based on recent communications and discussion with the Commission, we would like to present this revised legal engagement to reflect certain budget reductions and a refined scope of work.

BANC and Braun Blaising Smith Wynne, P.C. (“BBSW”) have worked closely since before BANC’s formation to further the interests of its members. We hope to continue that relationship for years to come. To that end, this letter (the “Letter”), and the attached Terms of Engagement (the “Terms”) will, upon receipt of your signature in the space provided below, constitute a single integrated agreement (the “Legal Services Agreement”) for BBSW’s delivery of legal services to BANC for the remainder of this fiscal year. If and to the extent there is any conflict between or among the provisions of this Letter, the Schedule of Work and/or the Terms, this Letter shall control.

1. Scope of Legal Services and Fees

BBSW divides its work into three categories currently. They are described below.

- 1. General Counsel Work and Retainer.** This work includes general counsel work including managing public agency meeting and document requirements, contract support, Commission and committee support, including in the general course the MCRC and Resources Committee, updating the revising agency agreements in support of its members that are not covered in specified projects, compliance related activities on BA-specific reliability standards in support regular activities of the BANC Operator, coverage of industry forums including engagement with other utilities in the West on non-project specific matters, and specified legal work on matters that are not specifically included in project agreements, including for example support on SB 100 matters, involvement in Peak and now RC West organization and contractual matters, monitoring legislative developments that affect BANC and fulfillment of its obligations to members, monitoring of general regulatory issues that will affect BANC, and other related matters.

2. Project Support for EIM Phase 1

BBSW provides legal support for matters related to ongoing implementation and activities surrounding Phase 1 of the EIM, including activities described in BANC Project Agreement No. 5. These activities are billed on an hourly basis, pursuant to the hourly fee schedule set for in Section 5.b below.

3. Project Support for EIM Phase 2

BBSW provides legal support for executing the needs of BANC with respect to the decision to move forward with the expansion of BANC member participation in the Energy Imbalance Market. This includes applicable committee support, advise of relevant California ISO policies, negotiations with the CAISO on relevant ISO documents and agreements, development of internal documents such as the BANC Business Practice Manuals.

4. Project Support for the Extended Day Ahead Market (“EDAM”)

BANC is very active in the development of the EDAM. BBSW services in this regard include direct interface with the CAISO on policy and legal issues associated with EDAM and related matters. This includes work with other EIM Entities to develop market design proposals, drafting of comments, advice and counsel on regulatory strategies, chair and service on relevant EIM Entity committees, and direct participation on behalf of BANC in CAISO stakeholder processes.

5. Fees

a. General Counsel Retainer Services

BBSW provides these services for a fixed fee basis of \$44,166 per month.

b. EIM Phase 1 and Phase 2

BBSW provides these services on an hourly fee schedule set for below. The revised 2020 Budget for these activities is \$128,000.

BBSW Shareholders	\$415.00/hr
BBSW Senior Associates	\$320.00/hr
BBSW Junior Associates	\$265.00/hr
Professional Staff and Support	\$165.00/hr

c. EDAM

Based on preliminary discussions with the Commission at the April 2020 Commission, we had suggested that savings in fees and travel could be realized due to reduced travel demands in 2020 and moving from an hourly to a fixed monthly fee for EDAM services.

The new fixed fee charge will be \$15,500 per month for the period of May-December 2020.

6. **Prospective Changes.** Any changes to our fees or revisions to the Scope of Work will be as mutually agreed and reduced to a mutually acceptable writing.

2. **Conflicts of Interest**

As the pace of regulatory activity has increased, the possibility that differences could emerge as between the political, business, regulatory or other legal interests of BANC on the one hand and one or more of its various members (the “Utility Member(s)”) on the other. In that regard, we wish to inform you that BBSW has been retained by certain Utility Members for representation in matters that are not within the scope of any actual or contemplated BANC Services. Although we are not aware of any current situation in which we represent any Utility Member in a matter in which it is or may become adverse to BANC, such an eventuality is theoretically possible. Thus, it is a condition to our agreement to represent BANC that it consent to our representation of any Utility Member, in matters not substantially related to the BANC Services, even if such representation is directly adverse to BANC or contrary to BANC’s interests. As noted in Section 4 of the attached Terms (“*Relationships with Other Clients*”), we will undertake such work only if (a) we believe that it can do so without impairing the confidentiality of information BANC provides (or has provided) to us, (b) the new matter is not substantially related to the work we are doing (or have done) for BANC, and (c) our effective representation of BANC and the discharge of our professional responsibilities to BANC will not be prejudiced by our representation of the Utility Member. **You grant such consent and acknowledge that it is fully informed and freely given, despite the fact that it is granted in advance and without foreknowledge of the full nature and scope of the adversity that could arise.**

3. **Terms**

As noted above, our Legal Services Agreement with BANC consists of this Letter and the appended Terms. Together these three documents comprise one integrated agreement between us. Although you are urged to review the Schedule of Work and the Terms in their entirety prior to countersigning this Letter in the space provided below, we direct your attention to Section 2(b) of the Terms (“*Entity Representation*”). Pursuant to that provision BANC agrees that (a) BBSW’s sole client pursuant to this Legal Services Agreement is BANC, and (b) BBSW is not representing any of BANC’s shareholders, founders, directors, officers, partners, members or employees in their individual capacities. Any representation of BANC’s shareholders, founders, directors, officers, partners, members or employees would require a separate, written and mutually acceptable agreement for the delivery of legal services prepared in accordance with BBSW’s normal procedures for the intake of new business.

4. Conclusion

This Legal Services Agreement supersedes any prior agreements between us, written or oral, for the delivery of legal services. Any legal services we may have provided to you prior to entering into this Legal Services Agreement shall be subject to and interpreted in accordance with the terms of engagement as set forth herein. We look forward to serving your needs in this matter and to establishing a mutually satisfactory relationship.

If this Legal Services Agreement is acceptable, please sign in the space provided below and return it to me at your first opportunity. That being said, if you have any questions or concerns about the terms of the Legal Services Agreement created by our mutual signatures below please do not hesitate to ask. **Of course, you are also free to seek the advice of independent counsel (other than BBSW) about this Legal Services Agreement at any time before or after you sign it. Please feel free to do so if you have any concerns; we will be happy to accommodate any extra time you may need for that effort.**

We look forward to continuing our engagement for BANC.

Sincerely,



Tony Braun
President, BBSW, P.C.

Attachments:
Terms of Engagement

ACCEPTED AND AGREED EFFECTIVE AS OF
THE DATE FIRST SET FORTH ABOVE:

**BALANCING AUTHORITY OF NORTHERN
CALIFORNIA**

By: Jim Shetler, General Manager

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

TERMS OF ENGAGEMENT

1. Introduction

- a. **Terms.** We appreciate your decision to retain Braun Blaising Smith Wynne, P.C. (“**BBSW**”) as your legal counsel. This document (the “**Terms**”) explains how we work, our obligations to you, your obligations to us, what we will do on your behalf, and how our charges will be determined and billed. Experience has shown that an understanding of these matters will contribute to a better relationship between us, and that in turn makes our efforts more productive.
- b. **Scope.** Our engagement and the services that we will provide to you are limited to the matter identified in the accompanying letter. Any changes in the scope of our representation as described in the letter must be approved in writing. We will provide services of a strictly legal nature related to the matters described in that letter. You will provide us with the factual information and materials we require to perform the services identified in the letter, and you will make such business or technical decisions and determinations as are appropriate. You will not rely on us for business, investment, or accounting decisions, or expect us to investigate the character or credit of persons or entities with whom you may be dealing, unless otherwise specified in the letter.
- c. **Limitations.** We cannot guarantee the outcome of any matter. Any expression of our professional judgment regarding your matter or the potential outcome is, of course, limited by our knowledge of the facts and based on the law at the time of expression. It is also subject to any unknown or uncertain factors or conditions beyond our control.

2. Confidentiality and Related Matters

- a. **Confidentiality.** Regarding the ethics of our profession that will govern our representation, several points deserve emphasis. As a matter of professional responsibility, we are required to hold confidential all information relating to the representation of our clients, subject to certain exceptions that we will discuss with you. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his lawyer. We can perform truly beneficial services for a client only if we are aware of all information that might be relevant to our representation. Consequently, we trust that our attorney-client relationship with you will be based on mutual confidence and unrestrained communication that will facilitate our proper representation of you.
- b. **Entity Representation.** Additionally, you should be aware that, in instances in which we represent a corporation or other entity, our client relationship is with the entity and not with its individual executives, shareholders, directors, members, managers, partners, or persons in similar positions, or with its parent, subsidiaries, or other affiliates. In those cases, our professional responsibilities are owed only to that entity, alone, and no conflict of interest will be asserted by you because we represent persons with respect to interests that are adverse to individual persons or business organizations who have a relationship with you. That is to say, unless the letter accompanying this document indicates otherwise, BBSW’s attorney-client

relationship with the entity does not give rise to an attorney-client relationship with the parent, subsidiaries or other affiliates of the entity, and representation of the entity in this matter will not give rise to any conflict of interest in the event other clients of the firm are adverse to the parent, subsidiaries or other affiliates of the entity. Of course, we can also represent individual executives, shareholders, directors, members, managers, partners, and other persons related to the entity in matters that do not conflict with the interests of the entity, but any such representation will be the subject of a separate engagement letter. Similarly, when we represent a party on an insured claim, we represent the insured, not the insurer, even though we may be approved, selected, or paid by the insurer.

3. Fees and Billing

- a. Estimates. Clients frequently ask us to estimate the fees and other charges they are likely to incur in connection with a particular matter. We are pleased to respond to such requests whenever possible with an estimate based on our professional judgment. This estimate always carries the understanding that, unless we agree otherwise in writing, it does not represent a maximum, minimum, or fixed fee quotation. The ultimate cost frequently is more or less than the amount estimated.
- b. Alternative Fee Arrangements. We encourage flexibility in determining billing arrangements. For example, we often agree with our clients to perform services on a fixed-fee or other basis that we and the client believe will encourage efficiency and reflect the value of our services in relation to a particular objective.
- c. Fixed Fee Arrangements. If you and we have agreed on a fixed fee arrangement, our fees will not be limited to the fixed amount if you fail to make a complete and accurate disclosure of information that we have requested and that we reasonably require for our work, or if you materially change the terms, conditions, scope, or nature of the work, as described by you when we determined the fixed amount. If any of these events occurs, our fees will be based upon the other factors described below, unless you and we agree on a revised fixed fee.
- d. Other Arrangements. If the accompanying engagement letter does not provide for a fixed fee, or if we do not otherwise confirm to you in writing a fee arrangement, our fees for services will be determined as described in the following paragraphs.
- d. Fee Considerations. When establishing fees for services that we render, we are guided primarily by the time and labor required, although we also consider other appropriate factors, such as the novelty and difficulty of the legal issues involved; the legal skill required to perform the particular assignment; time-saving use of resources (including research, analysis, data and documentation) that we have previously developed and stored electronically or otherwise in quickly retrievable form; the fee customarily charged by comparable firms for similar legal services; the amount of money involved or at risk and the results obtained; and the time constraints imposed by either you or the circumstances. In determining a reasonable fee for the time and labor required for a particular matter, we consider the ability, experience, and reputation of the lawyer or lawyers in our firm who perform the services. To facilitate this determination, we internally assign to each lawyer an hourly rate based on these factors. Of course, our internal hourly rates change periodically to account for increases in our cost of delivering legal service, other economic factors, and the augmentation of a particular lawyer's ability, experience, and reputation. Any such changes in hourly rates are applied prospectively, as well as to unbilled time previously expended. We record and bill our time in one-tenth hour

(six minute) increments.

- e. **Staffing.** When selecting lawyers to perform services for you, we generally seek to assign lawyers having the lowest hourly rates consistent with the skills, time demands, and other factors influencing the professional responsibility involved in each matter. That does not mean that we will always assign a lawyer with a lower hourly rate than other lawyers. As circumstances require, the services of lawyers in the firm with special skills or experience may be sought when that will either (a) reduce the legal expense to you, (b) provide a specialized legal skill needed, or (c) help move the matter forward more quickly. Also, to encourage the use of such lawyers in situations where their services can provide a significant benefit that is disproportionate to the time devoted to the matter, we may not bill for their services on an hourly rate basis but, if you agree in advance, we will adjust the fee on an "added value" basis at the conclusion of the matter if and to the extent their services contribute to a favorable result for you.
- f. **Expenses.** In addition to legal fees, our statements will include out-of-pocket expenses that we have advanced on your behalf. Advanced expenses generally will include, but are not limited to, such items as travel, postage, filing, recording, certification, and registration fees charged by governmental bodies.
- g. **Third Party Services.** During the course of our representation, it may be appropriate to hire third parties to provide services on your behalf. These services may include such things as consulting or testifying experts, investigators, providers of computerized litigation support, and court reporters. Because of the legal "work product" protection afforded to services that an attorney requests from third parties, in certain situations our firm may assume responsibility for retaining the appropriate service providers. Even if we do so, however, you will be responsible for paying all fees and expenses directly to the service providers or reimbursing us for these expenses.
- h. **Invoices and Payment.** We bill periodically throughout the engagement for a particular matter, and our periodic statements are due when rendered. If our fees are based primarily on the amount of our time devoted to the matter, our statements will be rendered monthly. Our statements contain a concise summary of each matter for which legal services are rendered and a fee is charged.
- i. **No Contingency.** Payment of our fees and costs is not contingent on the ultimate outcome of our representation, unless we have expressly agreed in writing to a contingent fee.
- j. **Questions About Our Bills.** We invite you to discuss freely with us any questions that you have concerning a fee charged for any matter. We want our clients to be satisfied with both the quality of our services and the reasonableness of the fees that we charge for those services. We will attempt to provide as much billing information as you require and in such customary form that you desire, and are willing to discuss with you any of the various billing formats we have available that best suits your needs.

4. Relationships with Other Clients

BBSW provides legal services on a wide variety of subjects, to a large number of clients, some of whom are or may in the future operate in the same areas of business in which you operate or may operate. By engaging our firm you therefore agree that we may accept an engagement from any new

or existing client that is adverse to you if (a) we believe that it can do so without impairing the confidentiality of information you provide (or have provided) to us, (b) the new matter is not substantially related to the work we are doing (or have done) for you, and (c) our effective representation of you and the discharge of our professional responsibilities to you will not be prejudiced by our representation of the other client. **Your agreement to this Section 4 of these Terms is a condition to our agreement to represent you, is fully informed and freely given despite that fact that it is granted without foreknowledge of the full nature and the scope of the adversity that could arise.**

5. Termination

Upon completion of the matter to which this representation applies, or upon earlier termination of our relationship, the attorney-client relationship will end unless you and we have expressly agreed to a continuation with respect to other matters. We hope, of course, that such a continuation will be the case. The representation is terminable at will by either of us. The termination of the representation will not terminate your obligation to pay fees and expenses incurred prior to the termination and for any services rendered or disbursements required to implement the transition to new counsel.

6. General

These Terms are governed by California law, and any modification or addition must be made in a writing signed by the party adversely affected by the change. If any provision of these Terms is, for any reason, held to be invalid or unenforceable, the other provisions will be unimpaired and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted. **All BBSW clients are urged to carefully consider these Terms and seek the advice of independent counsel before agreeing to them.**

7. Effect

Your agreement to this engagement constitutes your acceptance of the foregoing terms and conditions. If any of them is unacceptable to you, please advise us now so that we can resolve any differences and proceed with a clear, complete, and consistent understanding of our relationship.

**Balancing Authority of Northern California
Resolution 20-05-02**

**AUTHORIZATION OF AMENDED LEGAL SERVICES AGREEMENT
WITH BRAUN BLAISING SMITH 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 Smith Wynne, P.C. (BBSW) since BANC’s formation; and

WHEREAS, BANC members have been impacted by COVID-19 and the BANC budget has been reviewed for possible cost reductions; and

WHEREAS, BBSW has proposed certain budget reductions and a refined scope of work; and

WHEREAS the BANC General Manager’s delegated contracting authority is limited to \$25,000;

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

Authorize the General Manager to enter into a revised Legal Services Agreement with BBSW, with specific budgeted amounts as reflected in the agreement, as attached in substantially final form.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 7th day of May 2020, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Dan Beans				
City of Roseville	Michelle Bertolino				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Dan Beans
Chair

Attest by: C. Anthony Braun
Secretary

Balancing Authority of Northern California

Agenda Item 5C

1. **Resolution 20-05-03 *Authorization of EDAM Cost Sharing Agreement with WAPA-SNR.***
2. **DRAFT BANC EDAM Evaluation Funding Agreement for Western Area Power Administration – Sierra Nevada Region’s Participation in the CAISO EDAM.**

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

5/03/20

To: BANC Commission
From: BANC Counsel
RE: Authorization of EDAM Cost Sharing Agreement with WAPA-SNR

In January of 2019, the BANC Commission authorized the General Manager to enter into a contract with Utilicast, who was subsequently engaged to provide consulting services related to participation in the Energy Imbalance market (EIM) and the proposed Enhanced Day Ahead Market (EDAM). In May of 2019, the BANC Commission approved the engagement of The Brattle Group for consulting services associated with the evaluation of EDAM. In addition, legal support for the EDAM effort has been authorized by the Commission through the budget approval process. Should BANC move forward with EDAM, it is assumed that all EIM Participants (SMUD, MID, WAPA-SNR, Roseville and Redding) would also participate in EDAM.

WAPA-SNR has determined that they, too, would like to participate in both the ongoing evaluation and development of an EDAM. As a result, a cost sharing agreement between BANC and WAPA-SNR has been drafted to set forth the terms and conditions for WAPA-SNR to reimburse BANC for the costs it incurs for this work to be performed on WAPA-SNR's behalf. That contract is also included in the meeting materials.

The Commission is being asked to authorize BANC staff to enter into a cost sharing agreement with WAPA-SNR to obtain reimbursement for their share of the costs related to EDAM.

**Balancing Authority of Northern California
Resolution 20-05-03**

Authorization of EDAM Cost Sharing Agreement with WAPA-SNR

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 EIM Phase 1 went live April 3, 2019, with the Sacramento Municipal Utility District as the sole initial BANC Member participant ; and

WHEREAS, three additional BANC Members (the City of Roseville, the City of Redding, and the Modesto Irrigation District) and Western Area Power Administration – Sierra Nevada Region (WAPA-SNR) are planning to enter into the CAISO EIM market in April of 2021, referred to as BANC EIM Phase 2; and

WHEREAS, BANC is evaluating and participating in the development of an Extended Day Ahead Market (“EDAM”); and

WHEREAS, it is assumed that all EIM Participants would also participate in EDAM; and

WHEREAS the BANC General Manager’s delegated contracting authority is limited to \$25,000;

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the General Manager to enter into a cost sharing agreement with WAPA-SNR to obtain reimbursement for their share of the costs related to the EDAM effort, as attached in substantially final form.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 7th day of May 2020, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Dan Beans				
City of Roseville	Michelle Bertolino				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

Dan Beans
Chair

Attest by: C. Anthony Braun
Secretary

BANC EDAM Evaluation Funding Agreement for Western Area Power Administration – Sierra Nevada Region’s Participation in the CAISO EDAM

This Agreement (“Agreement”) is made this May XX, 2020, between the Balancing Authority of Northern California, (“BANC”); and THE UNITED STATES OF AMERICA, Western Area Power Administration, Department of Energy, Sierra Nevada Region (“WAPA-SNR”), who may be referred to individually as a "Party" or collectively as the "Parties".

As California and other states in the Western Interconnection have moved to higher renewable portfolio standards and carbon reduction goals, the resulting increase in variable energy resources has raised the concept of needing more real-time energy management capabilities. This in turn has led to the development of the Western Energy Imbalance Market (“EIM”) and expansion of the California Independent System Operator Corporation (“CAISO”) Real Time Market to a large segment of the Western Interconnection.

In 2016, the BANC Commission approved the phased concept of EIM for BANC and authorized BANC to proceed with becoming an EIM Entity and for the Sacramento Municipal Utility District (“SMUD”) to join as an EIM Participating Resource.

On April 3, 2019, BANC, as the EIM Entity, and SMUD, as an EIM Participating Resource, commenced operating in the CAISO’s EIM.

In October of 2019, certain BANC members, including the Modesto Irrigation District (“MID”), the City of Redding (“Redding”), and the City of Roseville (“Roseville”) (collectively the “EIM Phase 2 BANC Members”) along with WAPA-SNR, authorized the General Manager to execute a BANC EIM Phase 2 Implementation Agreement with the CAISO. These EIM Phase 2 BANC Members and WAPA-SNR are scheduled to commence participation in the CAISO EIM in April of 2021.

In late 2017, the CAISO announced their intent to allow EIM Entities to participate in an Extended Day Ahead Market (“EDAM”), which is expected to improve market efficiency by integrating renewable resources using day-ahead unit commitment and scheduling across a larger area. BANC subsequently participated along with the other EIM Entities in development of EDAM market principles and a Feasibility Assessment to evaluate the proposed market design.

In January of 2019, the BANC Commission authorized the General Manager to enter into a contract with Utilicast, which included a task for EDAM support, and in May of 2019, the BANC Commission approved the engagement of The Brattle Group for consulting services associated with the evaluation of EDAM. In addition, legal support for the EDAM effort has been authorized by the Commission through the budget approval process. Should BANC move forward with EDAM, it is assumed that all EIM Participating Resources (SMUD, MID, WAPA-SNR, Roseville and Redding) would also participate in EDAM. WAPA-SNR is currently considering participating in EDAM. The evaluation described in this Agreement will be used in WAPA-SNR’s determination of

whether to participate. Execution of this Agreement does not guarantee WAPA-SNR's participation in EDAM.

The purpose of this Agreement is to set forth the terms and conditions for WAPA-SNR to reimburse BANC for the costs it incurs, for both consultant and legal support, to participate in both the ongoing evaluation and development of an EDAM on WAPA-SNR's behalf.

Upon execution of this Agreement by the Parties, the following provisions will constitute the agreement of the Parties.

1. BANC will conduct an EDAM evaluation using Consultant(s) and legal support as outlined in the signed agreements between BANC and The Brattle Group, BANC and Utilicast, and the 2020 BANC budget item Participation Agreement Number 4 ("PA-4"). WAPA-SNR shall pay BANC WAPA-SNR's share of the costs outlined in the 2020 BANC budget item PA-4, which is attached as "Exhibit A" to this Agreement. Exhibit B, which is also attached to this agreement, provides the scope of services that will be provided. The Parties will coordinate scope changes and approvals by the Parties of additional expenditures, as necessary and as part of the annual BANC budget process. In the event the costs will exceed the amount set forth in the BANC Commission-approved PA-4 budget, set forth in Exhibit A to this Agreement, BANC must obtain BANC Commission approval and WAPA-SNR's prior written approval. WAPA-SNR will have no obligation to pay for any amounts above what is set forth in the budget without its prior written approval, however, the remaining BANC member Participating Resources, MID, Redding, Roseville and SMUD, may still elect to reallocate costs among themselves to address such additional costs.
2. The Parties shall meet on a regular basis to assess the progress of all work described herein.
3. Copies of work product(s) will be made available to WAPA-SNR.
4. Billing and Payment: BANC shall invoice WAPA-SNR for its share of the costs incurred consistent with this Agreement in accordance with Exhibits A and B, which are attached to this Agreement. WAPA-SNR shall pay the invoice consistent with the Prompt Payment Act. BANC will invoice WAPA-SNR as invoices are received from Consultants and legal support. BANC will send invoices to SNRAccountsPayable@wapa.gov.
5. Authorized Representatives: Each Party designates the following representatives who are authorized to act on its behalf with respect to those matters contained in this Agreement, which are the functions and responsibilities of the authorized representatives of the Parties; provided, however, that the respective authorized

representatives have no power or authority to alter any of the provisions of this Agreement. Each Party may change the designation of its authorized representatives upon oral notice given to the other, confirmed promptly by written notice.

For BANC:

Balancing Authority of Northern California
Attn: Jim Shetler
P.O. Box 15830
MS D109
Sacramento, CA 95852-1830

For WAPA-SNR:

Western Area Power Administration
Attn: Sonja A. Anderson
114 Parkshore Drive
Folsom, CA 95630

6. Effective Date and Term: This Agreement is effective upon the date written above and shall terminate on December 31, 2023, unless extended by mutual agreement of the Parties in writing.

7. Confidential Information:

7.1 Except as required by law, regulation or order, each Party agrees not to disclose Confidential Information without the other Party's prior written consent. Confidential Information must be marked clearly on each page with a designation such as "CONFIDENTIAL". Confidential Information may be provided by another Party in performance of the Studies. Confidential Information is defined as any information that discloses a Party's trading strategies, any information that will allow the Parties to harm the other Party's financial stability within the CAISO market participation, and any information that discloses a Party's customer information that could harm a Party's customer's financial stability. Confidential Information may be shared among a Party's employees, directors, officers, agents, affiliates, consultants, and legal counsel, (collectively, its "Representatives") where such Representatives have been informed of the confidential nature of the information and the obligations of confidentiality provided in this Agreement; provided that prior to disclosure to any consultant, such consultants must agree in writing to keep the Confidential Information confidential under terms equivalent to those set forth in this Section 9. As to each Party's respective obligations under this Section 9, Confidential Information does not include any information contained in the Studies or provided by another Party in performance of the Studies which (i) was in that Party's rightful possession prior to its receipt of such information as evidenced by tangible records and without an obligation of confidentiality; (ii)

was or becomes generally available to the public other than as a result of a disclosure by that Party in breach of this Agreement; (iii) becomes available to that Party from a source not known by it to be bound by an obligation of confidentiality with respect to such information; or (iv) was or is independently developed by that Party without reliance upon the information.

- 7.2 In the event a Party ("Compelled Party") is required by applicable law, including but not limited to the Freedom of Information Act, judicial or regulatory authority to disclose any Confidential Information, such Compelled Party shall, to the extent practicable and to the extent permitted by law, regulation or legal, governmental or regulatory process, promptly notify the other Parties in writing of the existence, terms, and circumstances surrounding such requirement, so that other Parties may seek a protective order or other appropriate remedy, or waive compliance with the terms of this Agreement regarding such Confidential Information. If the Compelled Party is legally required to disclose any Confidential Information, or if the other Party waives compliance with the terms hereof, the Compelled Party will furnish only that portion of the Confidential Information as it reasonably determines, in consultation with legal counsel, that it is legally required to disclose.
- 7.3 The Parties agree that money damages may not be a sufficient remedy for breach of this Agreement as it relates to the release of Confidential Information, and the non-breaching Parties shall be entitled to seek any available remedy, including, but not limited to, injunctive relief or specific performance.
- 7.4 Notwithstanding anything herein to the contrary, the rights and obligations of the Parties under this Section 9 will survive termination of this Agreement. Upon termination of this Agreement, all Confidential Information shall be either returned or destroyed. A Party is not required to immediately remove or destroy Confidential Information stored in electronic backup, provided the Confidential Information on such electronic back up is not used after the termination of this Agreement and the Confidential Information will be removed or destroyed under a Party's normal record retention policies.
8. **Entire Agreement:** This Agreement, including its attached Exhibit A and Exhibit B (Scope of Work – EDAM Evaluation) constitutes the entire agreement among the Parties and supersedes all previous communications, representations, or agreements, either oral or written, with respect to the subject matter of this Agreement.
9. **Amendments:** The Parties may amend this Agreement only in a writing signed by the Parties, except amendments to Exhibit A, which shall require BANC Commission Approval and written approval from WAPA-SNR, as specified in Paragraph 1, above.

10. Relationship Between the Parties: The Parties are separate entities, and nothing in this Agreement shall be construed to create a joint venture, trust, partnership, or other fiduciary or agency relationship among the Parties. The Parties' obligations under this Agreement are several and not joint.
11. Severability: In the event that a provision of this Agreement, in whole or in part, or the application of such provision, is held invalid by any court or administrative body having jurisdiction, all other provisions of this Agreement and their application will remain in force and effect unless such court or administrative body also holds that the provision is not severable from all other provisions of this Agreement.
12. Governing Law: Federal law shall control the obligations and procedures established by this Agreement.
13. Contingent Upon Appropriations and Authorization: Where activities provided for in this Agreement extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under this Agreement. In case such appropriation is not made, BANC hereby releases WAPA-SNR from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.
14. Covenant Against Contingent Fees: BANC warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by BANC for the purpose of securing business. For breach or violation of this warranty, WAPA-SNR shall have the right to annul this Agreement without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.
15. Contract Work Hours and Safety Standards: This Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.
16. Equal Opportunity Employment Practices: Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that BANC will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into this

Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

17. Use of Convict Labor: BANC agrees not to employ any person undergoing sentence of imprisonment in performing this Agreement except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
18. Execution by Counterparts: The Parties may execute this Agreement in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. A Party may deliver an executed counterpart of this Agreement by facsimile or e-mail.

The Parties have executed this Agreement as of the date first written above.

BALANCING AUTHORITY OF NORTHERN CALIFORNIA

By _____
Name: James R. Shetler
General Manager

WESTERN AREA POWER ADMINISTRATION

By _____
Name: Sonja A. Anderson
Senior Vice President and
Sierra Nevada Regional Manager

**Exhibit A to Agreement XX-SNR-XXXXX
Budget for BANC PA-4: EDAM Evaluation**

- a. Assumptions
 - i. BANC participates in the EDAM as an EIM/EDAM Entity
 - ii. All Participating Resources (SMUD, MID, WAPA-SNR, Roseville, and Redding) participate in effort. Cost allocation as follows:
 - 1. SMUD – 63.5%
 - 2. MID – 14.4%
 - 3. WAPA-SNR – 10.9%
 - 4. Roseville – 6.8%
 - 5. Redding – 4.4%
 - iii. EDAM program development, including initial cost/benefit analysis, finalized 3rd Qtr. 2019. Second cost/benefit analysis 3rd Qtr. 2020 after market design finalized.
 - iv. Formal CAISO stakeholder process initiated 3rd Qtr. 2019 – 3rd Qtr. 2020
 - v. CAISO tariff filings and market implementation late 2020 - 2021
 - vi. EDAM “go-live” no earlier than Spring 2022
- b. Estimated costs for EDAM evaluation under PA-4 are initial estimates based upon discussions among the EIM entities, CAISO, and BANC staff, including revised BBSW support.

IMPLEMENTATION CATEGORY	Orig. COST ESTIMATE	Revised COST ESTIMATE	Revised SMUD	Revised MID	Revised WAPA-SNR	Revised Roseville	Revised Redding
Legal Support	\$120,000.00	\$220,000.00					
Consultant Support ~ Cost Eval. (Utilicast)	\$25,000.00	\$25,000.00					
~ Update Ben. Anal.(Brattle)	\$40,000.00	\$40,000.00					
~ Market Dev, Spt. (TBD)	\$50,000.00	\$50,000.00					
~ Total	\$115,000.00	\$115,000.00					
Total Estimate	\$235,000.00	\$335,000.00					
Contingency	\$45,000.00	\$45,000.00					
TOTAL for 2020	\$280,000.00	\$380,000.00	\$241,300.00	\$54,720.00	\$41,420.00	\$25,840.00	\$16,720.00

**Exhibit B to Agreement XX-SNR-XXXXX
Scope of Work – EDAM Evaluation**

This Exhibit B provides a summary description of the planned EDAM evaluation efforts for 2020. The updated annual forecasts of scope and costs will be provided to WAPA-SNR as part of the annual BANC budgeting process. The following summarizes the breakdown of major EDAM activities for 2020 for each. WAPA-SNR's cost allocation share is in accordance with that set forth in PA-4, incorporated as "Exhibit A" to this Agreement:

- Legal Support (BBSW): BBSW will provide legal support to the BANC EDAM Evaluation, including attending EDAM Steering Committee meetings, participating in assigned subcommittees, assisting with development of position papers, review of EIM Entity developed position papers, review of CAISO developed EDAM proposals, facilitating discussions with other stakeholders, attending EDAM work shops, and other support activities as identified by the BANC General Manager.
- Consultant Support
 - *Cost Evaluation (Utilicast) – Upon completion by the CAISO of a final EDAM design proposal, Utilicast will review the proposed market design against the current EIM capabilities of BANC and its EIM Participants to determine if additional resources would be needed for BANC and its EIM Participants to participate in the proposed EDAM.*
 - *Update Benefits Analysis (The Brattle Group) – Upon completion by the CAISO of a final EDAM design proposal, Brattle will work with BANC and its EIM Participants to update the EDAM benefits analysis to determine potential benefits for BANC and its EIM Participants should they elect to participate in the proposed EDAM.*
 - *Market Development Support (TBD) – Contract with a third party consulting firm with recognized knowledge in the area of western markets to assist BANC and its EIM Participants with monitoring market activities at the CAISO and other venues, provide analyses of these developments, and assess potential impacts to BANC and its EIM Participants in both the current EIM and potential EDAM.*