

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

2:00 P.M.

Wednesday, July 22, 2020

Telephonic Meeting Only

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 22, 2020 at 2:00 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): 126 008 6681

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 Consent Agenda.**
 - A. Minutes of the Regular Commission Meeting held on June 24, 2020.
 - 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. EIM Phase 2 Update.
 - i. Consider and Possibly Approve Resolution 20-07-15 *Authorization for Change to EIM and EDAM Budget Allocation Adjustments Based on 3-year Net Energy Load Rolling Average.*
 - B. SB100 Effort Update.
 - C. NWPP RA Project
 - i. Consider and Possibly Approve Resolution 20-07-16 *Authorization for NWPP RA Project Phases 2A Expenditures and 2B Participation.*
 - D. 2020 Strategic Planning Session.
- 6 Closed Session:** Conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov’t Code § 54956.9; one case.
- 7 Adjournment.**

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

Balancing Authority of Northern California

Consent Agenda Items

- A. Minutes of the June 24, 2020 BANC Regular Meeting.**
- 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.**

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

June 24, 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

1. Call to Order: Mr. Braun reviewed attendance and confirmed that a quorum was present. Chair Beans called the meeting to order at 2:02 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: Mr. Orchard moved, Ms. Bertolino seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on May 20, 2020; (B) BANC Operator Report for May; (C) Compliance Officer Report for June; (D) PC Committee Chair Report for June; and (E) General Manager’s Report and Strategic Initiatives Update. The motion was unanimously approved by all Commissioners present; the City of Shasta Lake had not yet joined the meeting.
5. Regular Agenda Items – Discussion and Possible Action:
 - A. Mr. Shetler provided brief status updates on EIM Phase 2 topics, focusing on issues currently under review, including: Resource Sufficiency and Flex Ramp Tests, where options are currently being evaluated; the potential for reallocation of load-based cost allocation percentages for EIM Phase 2, which will be brought back to the Commission for approval at a future meeting; TPUD load settlement costs, which will be addressed in the 2021 budget; and the Phase 2 EIM Entity Agreement with CAISO.

Ms. Bertolino moved, Mr. Orchard seconded, and a roll call vote was taken. All Commissioners present voted unanimously in favor of Resolution 20-06-17 *Authorization for the General Manager to Execute the California Independent System Operator*

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

Corporation and Balancing Authority of Northern California Amended and Restated EIM Entity Agreement. The City of Shasta Lake had not yet joined the meeting.

- B. Regarding SB100, Mr. Shetler let the Commission know that the Joint Agencies have not yet responded to BANC's request for information regarding how they plan to address the Balancing Authority input that has been provided. A draft report was expected in June 2020, but nothing had been published as of this meeting.
 - C. Mr. Shetler reviewed plans for the 2020 Strategic Planning Session, which is scheduled for Wednesday, August 26th. GM outreach meetings have been initiated in anticipation of this meeting, as have 2021 budget estimates. Mr. Shetler also noted that 2021 marks the 10th anniversary of BANC; further discussion regarding how to mark that milestone will be had at the Strategic Planning Session in August. Mr. Braun also raised the issue of challenges related to COVID-19 and asked for Commission input regarding plans for an in-person meeting as opposed to a virtual format (or some hybrid thereof.) Following input provided by the participating Commissioners, where multiple Commissioners indicated that face-to-face meetings were not currently allowed for non-mission critical meetings and that did not appear likely to change by August, multiple options were left on the table for further consideration at the July BANC Commission meeting.
6. Closed Session: The Commission retired to closed session at 2:30 p.m. for personnel matters pursuant to Cal. Gov't Code § 549567 and 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 having authorized the formation of a BANC Legal Committee.

Minutes approved on July 22, 2020.

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 2020

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- NWPP Reserve Energy Activations
 - 0 contingency requiring activation of NWPP
 - 0 MW average generation lost
 - 0 MW maximum generation lost
 - Generating unit(s) and date(s) affected: None
 - All recoveries within 0 minutes
- USF
 - 15 of 30 days with instances of USF mitigation procedure utilized
 - 15 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 8 minutes
 - Number of BAAL exceedance >10 minutes: 0
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2020 Frequency Response Obligation (FRO): -14.7 MW/0.1 Hz
 - 2020 Q1 Frequency Response Measure (FRM): -33.3 MW/0.1 Hz
 - 2020 Q1 Number of Under-Performed Events: 0 out of 4

Monthly Notes:

- No additional notes or impacts for June 2020

A JOINT POWERS AUTHORITY AMONG

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

Compliance Officer Report

BANC Commission Meeting

July 2020

The following summarizes 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.

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- The next periodic self-log of potential non-compliance issues will be submitted to WECC on July 31st. At present, there are no BA/PC issues to report.
- On July 8th, NERC is issued a Level-2 NERC Alert requesting detailed and specific information from registered entities in order to better estimate the risks associated with BES equipment manufactured or supplied by China or Russia. BANC's "null" response will be submitted prior to the 8/21 deadline.

BANC MCRC:

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, July 27, 2020 via webinar.

PC Committee Chair Report

BANC Commission Meeting

July 2020

The following summarizes Planning Coordinator-related issues 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 Issues:

- SMUD staff continue to work toward demonstrating compliance with PC-related NERC reliability standards:
 - FAC-010-3 System Operating Limits Methodology for the Planning Horizon – Draft methodology was sent out for PC Participant review. Comments are due July 13th.
 - FAC-013-2 Near-Term Transfer Capability for the Planning Horizon – Staff sent out preliminary study results on June 30th for PC Participant review. Comments are due July 17th.
 - FAC-014-2 Establish and Communicate SOLs – A draft study plan was sent out on June 30th for PC Participant review. Comments are due by July 17th.
 - PRC-012-2 Remedial Action Schemes – Staff is currently performing a technical evaluation of each RAS for SMUD and Roseville areas, required by the NERC standard once every five full calendar years. The effective date of PRC-012-2 is January 1, 2021.
 - PRC-023-4 Transmission Relay Loadability – A draft study report was sent out for PC Participant review on June 30th. Comments are due July 24th.
 - PRC-026-1 Relay Performance During Stable Power Swings – A draft study report was sent out for PC Participant review on June 30th. Comments are due July 24th.
 - TPL-001-4 - Transmission System Planning Performance – Comments for the preliminary study results were received from PC Participants on June 26th. Staff are working with PC Participants on proposed mitigation plans for any criteria violations identified. Study results will be finalized by July 31st.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-2 Interconnection Studies	25%	There are 3 materially modifying transmission facilities projects within the BANC area this year.
2	FAC-010-3 SOL Methodology for Planning Horizon	75%	Draft methodology was sent out for PC Participant review. Comments due 07/13/2020.
3	FAC-013-2 Transfer Capability for Near-Term Planning Horizon	50%	Preliminary study results were sent out for PC Participant review. Comments due 07/17/2020.
4	FAC-014-2 Establish and Communicate SOLs	25%	Study plan sent out for review. Comments due 07/17/2020.
5	IRO-017-1 Outage Coordination		Will send out 2020 annual assessment report in October.
6	MOD-031-2 Demand and Energy Data	100%	2020 Loads and Resources supplement Data Request III sent to WECC end of March.
7	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
8	MOD-033-1 System Model Validation		Data request in July, 2020.
9	PRC-006-3 Underfrequency Load Shedding	100%	BANC PC Participant data was submitted to the WECC UFLSWG SILTP group. A revised study report from latest study cycle is expected to be available soon from WECC UFLSWG.
10	PRC-010-2 Undervoltage Load Shedding	100%	Study has been completed. The report was finalized on 12/30/2019.
11	PRC-012-2 Remedial Action Schemes	40%	New Standard to be effective on 01/01/2021. Study Plan was finalized on 04/10/2020. Working on base cases and contingencies for each RAS scheme.
12	PRC-023-4 Transmission Relay Loadability	75%	Draft study report sent on 06/30/2020. Comments due 07/24/2020.
13	PRC-026-1 Relay Performance During Stable Power Swings	75%	Draft study report sent on 06/30/2020. Comments due 07/24/2020.
14	TPL-001-4 Transmission System Planning Performance	60%	Preliminary study results comments received. Working on mitigations and draft report.

	PC Standard	Estimated % Complete	Notes
15	TPL-007-4 R1 GMD	100%	<p>Draft Agreement sent to Members to review on 05/31/2020. Conference call on 06/04/2020 with BANC members to discuss changes in Vulnerabilities Assessment Responsibilities Agreement for the new version of TPL-007-4.</p> <p>The final TPL-007-4 R1 "Vulnerabilities Assessment Responsibilities Agreement" has been approved and posted on the BANC Members only website on 06/15/2020.</p>

GM Report

BANC Commission Meeting

July 22, 2020

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/TID/Tacoma Power

Dialogue continues with these entities regarding EIM participation. Based upon the group's discussions, we have agreed to continue to interact on an informal basis to make sure we are on the same page on EIM issues from a POU perspective. We are routinely holding bi-weekly calls to provide updates and discuss issues. To date, we have collaborated with the other POUs on joint language to use in the EIM Entity agreement, on how to address market-based rate authority with DMM, potential common language for OATT revisions, and joint comments on the EIM governance issues. We have also used this forum to discuss POU positions regarding the EDAM development. On April 1, 2020, both SRP and Seattle City Light went live with EIM. Feedback is that the transitions were smooth with no major issues. Both LADWP and BANC – Phase 2 are on track for go-live in April 2021.

POU Western Markets Initiative

BANC continues to participate in this effort, which is being coordinated by APPA. The group continues to evaluate how best to represent the POUs in the ever-changing power markets in the West. Our last meeting was a webinar on May 19th. The next discussion is expected to take place later this summer.

Coronavirus Restrictions

With the increased restrictions on public gatherings and travel, BANC has moved to remote meeting attendance, both for our own internal member meetings as well as outside meetings for the foreseeable future. We will maintain this approach until public health authorities advise the restrictions can be relaxed. In addition, the BANC BA Operator (SMUD) has instituted measures to reduce coronavirus risks, including stay at home for most employees with only essential staff working at the offices.

Market Initiatives:

EIM Participation

The BANC EIM Phase 1 implementation effort was completed on April 3, 2019, with the successful go-live of BANC as the EIM Entity and SMUD as a Participating Resource. We are now monitoring EIM participation. CAISO quarterly benefit reports continue to show that BANC/SMUD is seeing benefits from the EIM participation. BANC was contacted by a writer for APPA regarding an article on public power experiences with joining the Western EIM. An article will be included in an upcoming APPA release.

With respect to BANC EIM Phase 2 effort, staff is coordinating with the Phase 2 participants and Utilicast to move forward with implementation. We have reached a tentative agreement on the use of WAPA transmission for EIM. WAPA and an understanding on how the deviation band can support EIM. The settlements allocation methodologies effort is proceeding well with completion of the initial draft of a settlement's allocations manual. We have initiated discussions on metering, Resource Sufficiency/Flex Ramp test approach, discussions with CAISO Department of Market Monitoring on default energy bids, and initiated discussions on individual participant software testing. We have worked with CAISO to resolve some of the unique issues associated with the BANC structure, which currently all seem to meet our needs. In addition, we have finalized an initial draft BANC EIM Business Practices that WAPA has referenced as part of their current OATT and Rates processes. We have completed the initial review of the Business Practices with the EIM Committee and are initiating discussions with a sub-group of the recently formed Legal Committee. Our goal is to bring the Business Practices to the Commission for approval by early fall.

EDAM Participation

The EDAM Feasibility Assessment is complete. The CAISO issued an initial EDAM issues white paper on October 10 and held a stakeholder webinar on October 17. The CAISO requested comments on the issues white paper by November 22, with the EDAM Entities filing joint comments and BANC also filing supporting comments. It is expected that the CAISO will use most of 2020 to conduct the formal stakeholder process, including development of a straw proposal for EDAM, followed by tariff filings at FERC. The EDAM Entities (including BANC) were active participants in the first EDAM public stakeholder workshop on February 11-12, 2020. Stakeholder comments have been submitted and the EDAM Entities are in the process of digesting the comments to determine next steps. The CAISO has indicated that the impacts of COVID-19 and the other market policy issues they are addressing will result in a delay of the EDAM Bundle 1 items straw proposal from April to late July. This will impact the overall EDAM stakeholder and design development process. An EDAM go-live, if there is sufficient interest by EIM entities to participate,

will slip beyond the 2022 timeframe. The EIM Entities are using this delay time to both work among ourselves to refine our EDAM policy positions and to do outreach with other stakeholders.

WAPA:

Market Engagement

We have included WAPA-SNR in our EIM Phase 2 planning efforts and WAPA-SNR is an active participant. As noted above, the main discussions with WAPA-SNR have been around the approach for use of WAPA-SNR transmission in EIM and how the deviation band will be handled in EIM. Also, as noted above, we are working proactively with WAPA-SNR to assist them in their OATT and Rates processes for EIM.

WAPA-SNR and BANC have initiated routine calls with NCPA to help facilitate discussions on joint issues.

San Luis Transmission Project

WAPA-SNR has announced its intent to work with the Bureau of Reclamation and CDWR to construct the SLTP. BANC met with WAPA and the other parties to fully understand the implications of having this new transmission project in the BANC BA/WAPA-SNR sub-BA. The SLTP developers (DATC) have completed the open season on the additional capacity for the project. We will keep the Commission informed as more information becomes available.

WECC

WECC Board Meetings

The MAC and Board meetings were held June 16-17, 2020, via webinar rather than in person due to COVID-19 concerns. Due to conflicts with other BANC matters I was unable to participate in these meetings.

RC Services for the West

With the completion of the RC transition from Peak to the new RCs, WECC and NERC have refocused their efforts from monitoring transition to monitoring operations of the RCs. At the March 11 Board meeting, NERC CEO Jim Robb commended the Western Interconnection for the successful transition of RC services from Peak to the new RC providers.

NWPP

Resource Adequacy Project

In light of the concerns raised last year regarding resource adequacy (RA) for the PNW entities, NWPP initiated a formal project to develop an RA program for the region. As a NWPP member, BANC has been providing funding for the initial phases of this effort. NWPP updated the participants on June 25th regarding the scope, schedule, and budget for the next phase of this effort (Phase 2B). BANC and the BANC Operator reviewed this information and believe it would be in BANC's best interest to continue to participate in the NWPP RA Project. Staff will be updating the Resource Committee and expects to request the Commission at its July meeting to authorize BANC participation in Phase 2B. This effort is currently not allocated in the BANC budget and the requested amount exceeds the General Manager's delegated authority.

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, which will be performed during 2020.

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 initial report is due 1/1/21. The four POU BAs (BANC, IID, LADWP, and TID) are collaborating on positions and responses. In addition, we have done outreach to the CAISO, Pacificorp, NV Energy, and WAPA BA's in California to determine if there is benefit to all BAs coordinating on this effort. BANC filed comments with the agencies on 12/2/19. BANC stated that it supported the long-term goals of the State regarding GHG reductions. However, we also cautioned that the transition from the current mix of resources to the long-term resource mix needs to be done in an orderly manner to ensure that grid reliability and affordability can be maintained for the benefit of the end-use consumers. We also supported a "net zero" carbon approach to meeting the goals, at least on an interim basis. I attended the SB100 workshop on 2/24/2020 and participated on a BA reliability panel. Subsequent to the workshop, staff worked with the other POU BAs (LADWP, IID, and TID) regarding comments to the Joint Agencies. Feedback from the Joint Agencies is that they intend to reach out to the BAs to address the BA

comments; however, we have yet to be contacted. In addition, the original schedule called for a draft report by June 2020, but we have not seen a draft report issued yet.

Sutter Energy Center

Based upon follow-up discussions with SMUD, MID, and Roseville, it appears that the member interest in a potential ongoing contract with the Sutter Energy Center has changed. At this stage it looks like there is not sufficient interest to warrant BANC involvement in an extended contract.

Western Electricity Industry Leaders (WEIL) Group

The WEIL group has done outreach to the Western Governors' Association with a request to hold discussions on how to better coordinate electricity policy in the West. Based upon these discussions, the Western Governors and WEIL have agreed to make use of the Center for a New Energy Economy (CNEE), which is headed by former CO Governor Ritter, to facilitate further dialogue. The group has agreed to focus discussions around three topics:

- State clean electricity goals and GHG accounting
- Reliability/resource adequacy
- Transmission planning and development.

The goal is to have a set of actionable recommendations that can be presented to the December Western Governors meeting. Staff is monitoring these discussions and is actively participating in the reliability/RA and transmission planning and development work groups.

Strategic Initiatives

An update of the 2019/2020 Strategic Initiatives is attached to this report.

BANC 2019/2020 Strategic Plan - Routine Initiatives - July 2020 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
1 Medium	INDEPENDENCE	Effectively oversee the BA operations.	Jim Shetler	Ongoing	See monthly Ops, PC, Compliance, & GM Reports
2 Medium		Develop long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing	Draft plan discussed with Commission. Discuss at Strategic Plng. Session
3 Medium		Organizational Issues: ~ Develop BANC procedures & processes as appropriate	Jim Shetler/BBSW	4th Qtr. 2020	Initial draft of business practices under review
4 Medium	OUTREACH	Engage in industry forums (WECC, Peak, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & NWPP Exec. Forum meetings
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TP, & TID on EIM
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BBSW	Ongoing as Necessary	Participating in WEIL group outreach to West governors
7 Medium	ASSETS	Evaluate joint options for resource needs for BA	Resource Committee	4th Qtr. 2020	
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	Discussions with WAPA-SNR

BANC 2019/2020 Strategic Plan - Focused Initiatives - July 2020 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage implementation of EIM Phase 2 participation effort	Jim Shetler/SMUD	4/1/21	Routine EIM Committee meetings being held
10 High		Manage EIM Phase 1	Jim Shetler/SMUD	Ongoing	
11 High		EDAM evaluation effort ~ CAISO Stakeholder Process ~ CAISO Tariff Development	Jim Shetler/BBSW Jim Shetler/BBSW	3rd Qtr. 2020 1st Qtr. 2021	Coordinating with EDAM SC
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	Participating in WEIL group outreach to West governors
14 High		Regionalization: ~Monitor CAISO GRC effort	Jim Shetler/BBSW	3rd Qtr. 2020	GRC meeting; T. Braun selected
15 High		Coordinate with BAs on SB100 collaboration effort	Jim Shetler/BBSW	12/31/20	Participated in 2/24/20 reliability workshop Submitted BANC comments 3/9/20
16 Medium	ASSETS	Evaluate resource criteria for BANC long-term needs	Jim S./Res. Com.	4th Qtr. 2020	Holding discussions at Resource Committee
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM	Jim S.	4th Qtr. 2020	Finalized software EIM procurement options

Balancing Authority of Northern California

Agenda Item 5A

1. ***Resolution 20-07-15 Authorization for Change to EIM and EDAM Budget Allocation Adjustments Based on 3-year Net Energy Load Rolling Average .***

**Balancing Authority of Northern California
Resolution 20-07-15**

Authorization for Change to EIM and EDAM Budget Allocation Adjustments Based on 3-year Net Energy Load Rolling Average

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, the General Manager has worked to develop yearly budgets using allocations agreed to by the Members; and

WHEREAS, EIM Phase 2 Project Amendments costs have been allocated using 2017 Net Energy Load (NEL), which was an unusually wet year resulting in additional hydro load for WAPA; and

WHEREAS concerns have been raised by WAPA customers regarding the use of an unusually wet year to determine budget allocations; and

WHEREAS the BANC EIM Committee has recommended a revision to the allocation methodology to use a rolling 3-year NEL average and shift the City of Shasta Lake load from WAPA to the City of Redding;

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

1. Adopt a 3-year rolling average NEL for EIM/EDAM cost allocation for programs where WAPA-SNR is a participant. In addition, load from the City of Shasta Lake will be shifted from WAPA to the City of Redding.
2. For EIM Phase 2 expenditures in 2019 and 2020 and EDAM in 2020, readjust EIM program allocations once actual expenditures are finalized to the 3-year rolling average NEL approach.
3. For EIM and EDAM expenditures starting in 2021 and beyond, adopt the 3-year average NEL approach in budget estimates.

**Balancing Authority of Northern California
Resolution 20-07-15**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22nd day of July 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	Arlen Orchard				
TPUD	Paul Hauser				

Dan Beans
Chair

Attest by: C. Anthony Braun
Secretary

Balancing Authority of Northern California

Agenda Item 5C

1. ***Resolution 20-07-16 Authorization for NWPP RA Project Phases 2A Expenditures and 2B Participation.***

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

07/16/2020

To: BANC Commission
From: BANC Counsel
RE: Authorization for NWPP RA Project Phases 2A Expenditures and 2B Participation

This is a decisional item for consideration by the Commission.

BANC participates in the Northwest Power Pool (NWPP) Reserve Sharing Group. Grid events in the Pacific Northwest caused discussions among the NWPP participants about the need to move to a more formalized resource adequacy (RA) paradigm for participants. This has led to a phased initiative within the NWPP to consider next steps.

Phase 1 and Phase 2A involved development of conceptual approaches to a NWPP RA program and the examination of certain legal implications. The amount estimated for BANC participation in Phase 1 and Phase 2A was below the delegated authority of the General Manager and was within budget parameters, and the General Manager authorized BANC's participation in these Phases.

Two developments have occurred that require Commission decision. First, BANC's share of the actual expenditures for Phase 1 and Phase 2A came in at approximately \$30,000, thus exceeding the delegated authority of the General Manager. This amount is, however, within existing budgets, and it is recommended that the Commission approve this expenditure for BANC.

Second, NWPP is now seeking funding from participants for Phase 2B of the initiative, the cost of which to BANC will be approximately \$75,000. The BANC General Manager believes, and we concur, that this NWPP initiative is important and have thus recommend approval. The reserve sharing function of the NWPP is incredibly valuable to BANC and its members. Although this RA program is intended to be voluntary, if it moves forward it may affect the reserve sharing function. Also, the program concepts include the development of tradeable RA products which may have value to BANC and its members. Finally, how this program evolves will have an impact on the Extended Day Ahead Market initiative and may be a vehicle for passing an anticipated Resource Sufficiency test.

It is unclear at this time whether the 2020 budget would need to be augmented to accommodate this expenditure. If approved, the General Manger would monitor 2020 Budget expenditures and report back to the Commission by October 30, 2020, if any adjustment to the BANC 2020 Budget is needed to cover these expenditures.

We have attached two presentations to provide greater detail to aid the Commission's decision. First, we have attached slides developed by the NWPP describing the project and next steps. Second, attached are slides provided to and reviewed by the BANC Resources Committee. The Resources Committee recommends that the Commission approve this expenditure.

Attachments

NWPP
RESOURCE ADEQUACY
PROGRAM DEVELOPMENT
PROJECT
END OF PHASE 2A: PRELIMINARY DESIGN
JUNE 25, 2020 3PM – 5PM

1

1

EXECUTIVE “ASK”

- Acceptance of the conceptual design
- Additional funding and approval to advance to Phase 2B: Detailed Design
- Support for hiring the Program Developer

2

2

TODAY'S AGENDA

- Review of Phase 2A accomplishments
 - › *RA program background*
 - › *Staged implementation*
 - › *Key design elements*
 - › *E3 Showing Workbook*
- Scope of Phase 2B
 - › *Legal/regulatory review*
 - › *Stakeholder engagement*
 - › *Detailed design*
- Approval of the ask

3

3

REVIEW OF PHASE 2A ACCOMPLISHMENTS

RA PROGRAM BACKGROUND

STAGED IMPLEMENTATION

NWPP KEY DESIGN ELEMENTS

E3 SHOWING WORKBOOK

SCOPE OF PHASE 2B

APPROVAL OF THE ASK

- » 2A began in Nov 2019 with RAPDP Charter
- » 18 funding entities collaborated on successful 2A effort
- » Documented the conceptual design
- » Created a forward showing workbook and analytical framework
- » Explored preliminary legal and regulatory issues related to governance and organizational structure

4

4

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>RA PROGRAM BACKGROUND</p> <p>STAGED IMPLEMENTATION</p> <p>NWPP KEY DESIGN ELEMENTS</p> <p>E3 SHOWING WORKBOOK</p> <p>SCOPE OF PHASE 2B</p> <p>APPROVAL OF THE ASK</p>	<ul style="list-style-type: none"> » Capacity RA: hours within a day <ul style="list-style-type: none"> – Sufficient available generating capacity to meet a region’s demand in capacity critical hours – Potentially for multiple hours within a day » Energy RA: several days or weeks <ul style="list-style-type: none"> – Availability of generation to meet demand over a continuous peak demand period – E.g. cold or hot weather events that can last several days (or even weeks) – Fuel availability is key
--	---

5

CAPACITY VS ENERGY RA

- **The RAPDP is developing a capacity program**
 - › *Similar programs are available across North America*
 - › *Significant effort to build organizational structure necessary to administer program*
 - › *Capacity will improve reliability in most expedient manner*
 - › *Capacity program may help mitigate energy issues*
- Will explore more fully any remaining energy RA issues after capacity program is developed

6

TWO TIME HORIZONS

- » Forward Showing
 - Entities prove they meet regional metrics months in advance of a season with deliverability test*
 - Ensures reliability benefits*
- » Operational
 - Provides the mechanism by which the pooled resources are accessed*
 - Unlocks investment cost savings through diversity benefits*

7

7

COMMON FORWARD SHOWING CHARACTERISTICS

- Obligation/cost is allocated to responsible entities for forward procurement of defined level of capacity
 - Obligation = Expected Peak Load Forecast [P50] + PRM*
- Load forecast is determined/validated by independent program administrator
- Defined consequences for entities that fail to “show” required capacity and applicable deliverability

8

8

COMMON FORWARD SHOWING CHARACTERISTICS

Generators sell resource adequacy capacity

- › *Available quantity of RA capacity for each resource determined/validated by independent administrator*
- › *Compensated in exchange for capacity to meet an entity's RA obligation*
- › *Defined consequences for resources that fail to generate energy when called upon*

9

9

COMMON FORWARD SHOWING CHARACTERISTICS

Reliability is ensured by:

- › *Establishing robust procurement quantity and lead-time*
- › *Limiting qualifying capacity of individual supply resources*
- › *Rules that ensure deliverability*
- › *Rules that establish qualification of imports, identification of firm export commitments*
- › *Curtailment of short-term discretionary exports out of the RA footprint, if/when needed*

10


10

BALANCING LOADS AND RESOURCES

DEMAND SIDE

Calculate: "pure" capacity NEEDED based on:

- P50 LOAD FORECAST +
- Contingency Reserves +
- PRM needed to meet The RA metric (1 in 10 LOLE)




"PURE" CAPACITY NEEDED

SUPPLY SIDE

Calculate: "pure" capacity AVAILABLE based on:

- Total Supply, de-rated and qualified



"PURE" SUPPLY AVAILABLE

11

11

REVIEW OF PHASE 2A ACCOMPLISHMENTS

RA PROGRAM BACKGROUND

STAGED IMPLEMENTATION

NWPP KEY DESIGN ELEMENTS

E3 SHOWING WORKBOOK

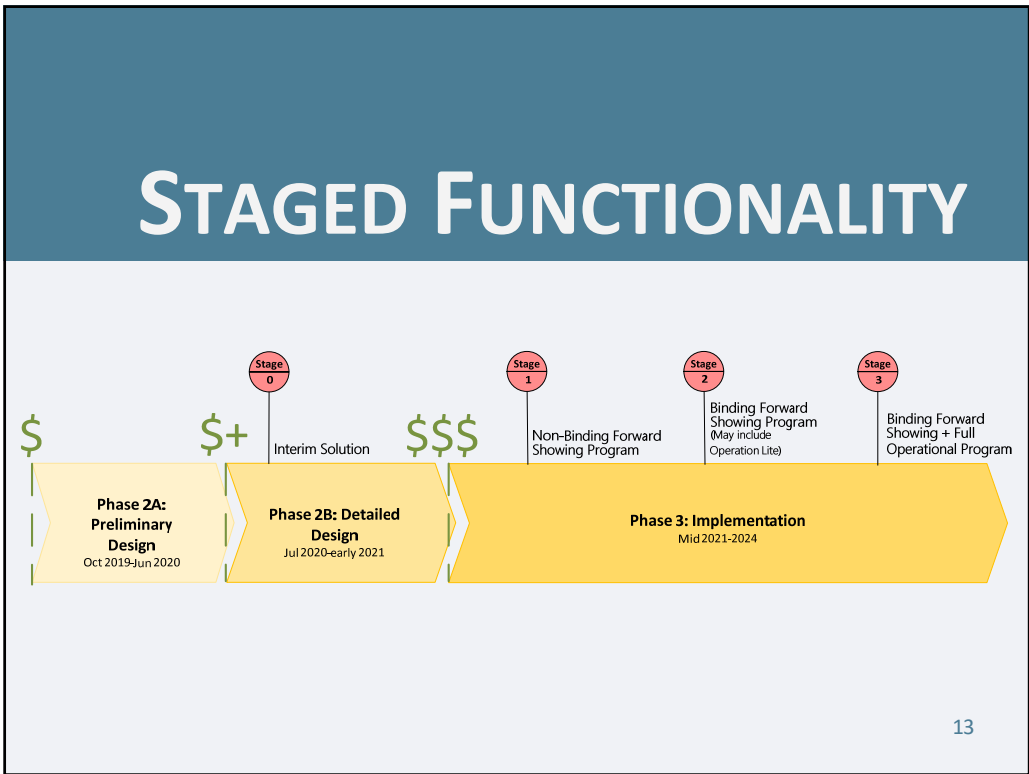
SCOPE OF PHASE 2B

APPROVAL OF THE ASK

- » Provide benefits of an organized program as soon as can be available
- » To be implemented in 3 stages
- » Prior full implementation, an interim solution ("Stage 0") is being considered

12

12



13

STAGED FUNCTIONALITY

Non-binding forward showing period

- Give time for capacity-deficit entities to acquire resources and transmission
- Allow a PA to identify and work out bugs
- Give additional time for FERC process

14

14

STAGED FUNCTIONALITY

Staggering the binding forward showing with the full operational program

- Enables the tight timeline by allowing for a focus on the key reliability components
- Certain components of the operational program will still need to be established during earlier work phases

15

15

REVIEW OF PHASE 2A ACCOMPLISHMENTS

RA PROGRAM BACKGROUND

STAGED IMPLEMENTATION

NWPP KEY DESIGN ELEMENTS

E3 SHOWING WORKBOOK

SCOPE OF PHASE 2B

APPROVAL OF THE ASK

» Conceptual Design documentation provided

» Today's Highlights:

- Binding seasons
- Compliance and Participation
- Resource Eligibility and Qualifying Capacity

16

16

TWO BINDING SEASONS

- » Winter: Nov-March – binding
- » Summer: June-Sept – binding
- » Spring: April -May – advisory
- » Fall: Oct – advisory

17

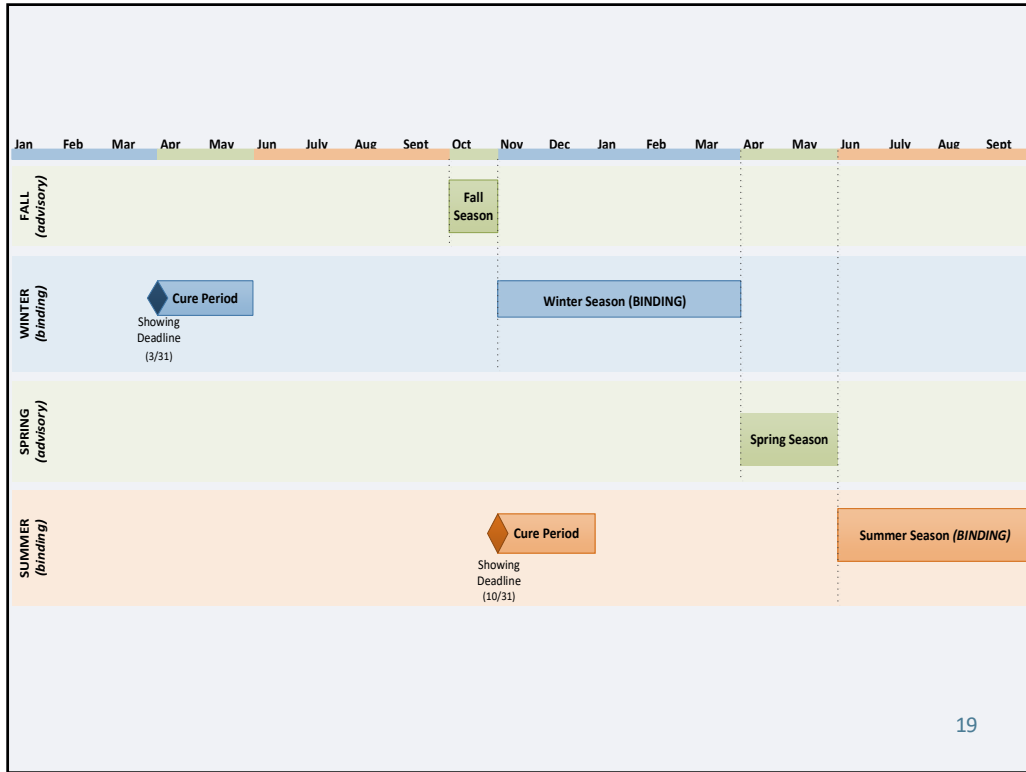
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TWO BINDING SEASONS

- › *Compliance showing deadline 7 months in advance of binding seasons*
- › *Cure period for 2 months following compliance showing date*

18

18



19

PENALTY FOR SHOWING NON-COMPLIANCE

- Deficiency payment based on cost of new entry (CONE) for a new peaking gas plant (e.g., SPP’s CONE calculation)
- Further discussions on deficiency payments are anticipated in Phase 2B

20

20

PARTICIPATION

- Voluntary to join
- Joining commits participants to meeting established requirements or incurring penalties (i.e., not “voluntary” to comply once committed)
- Joining also commits participants to an operational program where they are obligated to deliver diversity benefit when called upon
- Process will be established to join or leave the program

21

21

PLANNING RESERVE MARGIN

- Seasonal Planning Reserve Margins will be determined for summer and winter periods and expressed as a percentage of the 1-in-2-year seasonal peak load forecast.

22

22

RESOURCE ELIGIBILITY PROPOSAL

- Resource eligibility will require a registration and certification process for all resources
- Historical performance of resource would meet the operational test requirements for existing resources
- The definition of a system and the process/ability to aggregate will be considered during Phase2B: Detailed Program Design

23

23

ELIGIBILITY OF RESOURCE TYPES

- Program is designed to be technology agnostic; all resources will be considered
- Program Administrator will be responsible for determining the capacity contributions as new resources are added
- Additional resources will be considered during Phase 2B: Detailed Design

24

24

CAPACITY CONTRIBUTIONS

- › Thermal resources
- › Variable Energy Resources (VERs)
- › Hydroelectric resources
- › Other emerging resources (e.g. demand response, batteries, pump storage) will be discussed in Phase 2B

25

25

THERMAL CAPACITY CONTRIBUTION

USE UCAP METHODOLOGY

- › Unforced Capacity (UCAP) improves upon Installed Capacity (ICAP) methodology (discounting for ambient temperature) by accounting for resource-specific outage metrics
- › Enables more realistic reflection of unit reliability (vs socializing outage averages across the region)
- › SPP and CAISO are both shifting from ICAP to UCAP

26

26

VERs CAPACITY CONTRIBUTIONS

USE OF ELCC FOR VERS

- › Proposing consideration of sub-regional ELCC calculations based on fuel characteristics
- › Compare to how VERs have been handled in CAISO and SPP
- › Note that there are technical considerations/decisions still being considered -will be informed by future modeling efforts

27

27

HYDRO CAPACITY CONTRIBUTIONS

Methodology is in development by the Hydro Working Group – no other region has tackled this issue well

- Using a “time-period” approach (historical look-back over 10 years)
- Assess generation output during historical capacity critical hours
- Account for available storage during historical capacity critical hours (asses what generation could have been available)
- Planning to validate this lookback method with actual data, then consider how forward-looking modeling may augment

28

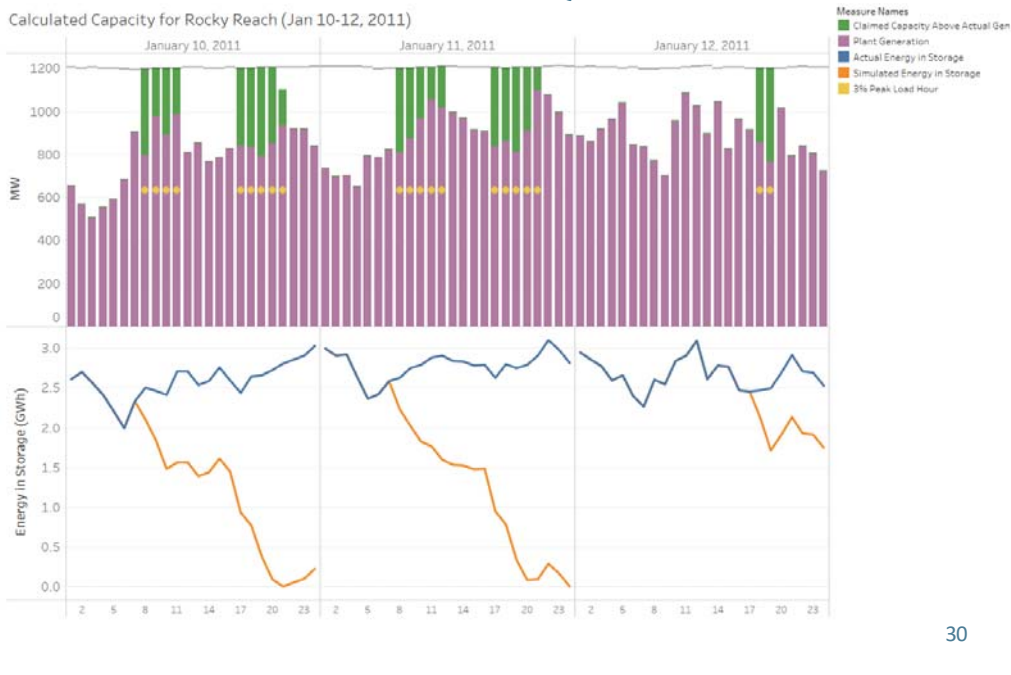
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HYDRO CAPACITY CONTRIBUTIONS

Hydro RA Capacity numbers should reflect the Maximum Generation Capability, accounting for:

- Plant/unit specific limitations (e.g. common penstock limit, transformer limits)
- Reservoir elevation range constraints
- Flow restrictions
- Other known constraints that limit the maximum accessible capacity
- Forced outage rates (not planned)

EXAMPLE OF HYDRO QC METHODOLOGY



<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>RA PROGRAM BACKGROUND</p> <p>STAGED IMPLEMENTATION</p> <p>NWPP KEY DESIGN ELEMENTS</p> <p>E3 SHOWING WORKBOOK</p> <p>SCOPE OF PHASE 2B</p> <p>APPROVAL OF THE ASK</p>	<ul style="list-style-type: none">» Compiled data to enable region-wide view» Tool to identify significant design considerations» Provides participants a rough estimate of their position in the program
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31

E3 SHOWING WORKBOOK

```
graph LR; T1[Task 1: collect data] --> T2[Task 2: develop spreadsheet mock-up]; T2 --> T3[Task 3: investigate impact of alternative design choices]; T3 --> T4[Task 4: Identify areas for further analysis]
```

32

RESEARCH QUESTIONS

How do the following issues impact each Balancing Authority?

- Planning reserve margin
- RA allocation methodology
- RA contributions by resource type
- Imports/exports
- Diversity benefits

33

33

E3 SHOWING WORKBOOK & ANALYSIS LIMITATIONS

THE E3 SHOWING WORKBOOK & ANALYSIS THAT HAS HIGHLIGHTED AREAS THAT REQUIRE REFINEMENT IN THE NEXT PHASE

PLANNING RESERVE MARGIN

- › Workbook estimates utility “standalone” PRM and compares it to the PRM that can be realized through the RA program
- › The capacity requirement reduction only considers load diversity
- › Additional savings available from supply diversity
- › **Additional analysis will be required to refine the PRM in the next phase**

34

34

E3 SHOWING WORKBOOK & ANALYSIS LIMITATIONS

THE E3 SHOWING WORKBOOK & ANALYSIS THAT HAS HIGHLIGHTED AREAS THAT REQUIRE REFINEMENT IN THE NEXT PHASE

RESOURCE CAPACITY CONTRIBUTION

- › Used a variety of approaches to determine capacity contribution for different resource types
- › Developed new methodology for large hydro capacity contribution
- › **Capacity contribution for different technology types will be further developed in next phase**

35

35

E3 SHOWING WORKBOOK & ANALYSIS LIMITATIONS

THE E3 SHOWING WORKBOOK & ANALYSIS THAT HAS HIGHLIGHTED AREAS THAT REQUIRE REFINEMENT IN THE NEXT PHASE

DELIVERABILITY

- › Transmission deliverability will be a significant consideration in the ultimate RA program design
- › Deliverability is not fully addressed in the workbook – assumes one large zone
- › **A more detailed transmission model will need to be developed to identify transmission constraints and evaluate the need for local RA zones**

36

36

E3 SHOWING WORKBOOK & ANALYSIS LIMITATIONS

THE E3 SHOWING WORKBOOK & ANALYSIS THAT HAS HIGHLIGHTED AREAS THAT REQUIRE REFINEMENT IN THE NEXT PHASE

IMPORT & EXPORTS

- › Completed a sensitivity case with an early estimate of level and intra-day shape of imports and exports
- › Investigated impacts to observed capacity critical hours
- › Investigated impacts on solar, wind, and storage ELCCs
- › **A more detailed treatment of imports and exports will need to be included in the ultimate forward showing model**

37

37

QUALITATIVE FINDINGS

- Development of the showing workbook and data collection provided us an opportunity to identify and analyze key issues
- The NWPP region can benefit from “load diversity” by participating in a regional RA program
- Large hydro capacity qualification methodology is a key consideration
- Regional import/export shapes are important for identifying critical capacity hours

38

38

QUANTITATIVE FINDINGS

NWPP region can benefit from “load diversity” of coincident peak loads by participating in a regional RA program compared to meeting the same reliability standard individually

Metric	ID	Equation	Summer	Winter
NWPP 1-in-10 CP (MW)	A	A	56,625	54,460
Aggregated 1-in-2 NCPs (MW)	B	B	54,737	53,321
Regional 1-in-2 CP (MW)	C	C	53,128	51,768
Load diversity benefit (MW)	D	B-C	1,609	1553
Operating Reserves	E	E	6.0%	6.0%
1-in 10 Regional Operating Reserve Requirement (as % of NWPP CP)	F	A/C*E	6.39%	6.31%
1-in-10 Standalone Operating Reserve Requirement (as % of NCPs)	G	(A+D)/B*E	6.38%	6.30%
Standalone PRM% (as % of NCPs)	H	(A+D)/B-1+G	12.8%	11.4%
Effective LSE PRM% with diversity (as % of NCPs)	I	A/B-1+F	9.8%	8.4%
Regional PRM% (as % of NWPP CP)	J	A/C-1+G	13.0%	11.5%
Standalone PRM% (as % of NWPP CP)	K	I+D/C	16.0%	14.5%
Program Capacity Requirement	L	C*(1+J) or B*(1+I)	60,016	57,723
Standalone Capacity Requirement	M	L+D*(1+F)	61,728	59,374
Capacity Requirement Reduction*	N	N-M	1,712	1,651

*Capacity Requirement Reduction only considers load diversity. Additional savings available from supply diversity.

39

39

REVIEW OF PHASE 2A ACCOMPLISHMENTS

SCOPE OF PHASE 2B

LEGAL/REGULATORY REVIEW

STAKEHOLDER ENGAGEMENT

DETAILED DESIGN

APPROVAL OF THE ASK

Phase 2B: Detailed Design

(July 2020 – early 2021)

- » Details on the program design including rules, regulations, and governance
- » Continued stakeholder and regulator engagement
- » Detailed design of modeling tools necessary for program implementation
- » Program Developer hired to assist in
 - Detailed program design
 - End-state modeling design
 - Cost estimation for future program
 - Regulatory support and stakeholder communications

40

40

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>SCOPE OF PHASE 2B</p> <p>LEGAL/REGULATORY REVIEW</p> <p>STAKEHOLDER ENGAGEMENT</p> <p>DETAILED DESIGN</p> <p>APPROVAL OF THE ASK</p>	<p>» Consideration of key legal and regulatory questions:</p> <ul style="list-style-type: none"> – Point of Compliance and means of obligating responsible entities – The role of the Program Administrator and FERC jurisdiction – The need to maintain non-jurisdictional status for participating non-jurisdictional entities – Board or governance independence associated with FPA “public utility” requirements
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41

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>SCOPE OF PHASE 2B</p> <p>LEGAL/REGULATORY REVIEW</p> <p>STAKEHOLDER ENGAGEMENT</p> <p>DETAILED DESIGN</p> <p>APPROVAL OF THE ASK</p>	<p>» Development and execution of stakeholder outreach and a multi-state regulatory plan</p> <p>» This will include:</p> <ul style="list-style-type: none"> – State regulators – FERC – Other industry stakeholders (via the ongoing Stakeholder Advisory Committee)
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42

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>SCOPE OF PHASE 2B</p> <p>LEGAL/REGULATORY REVIEW</p> <p>STAKEHOLDER ENGAGEMENT</p> <p>DETAILED DESIGN</p> <p>APPROVAL OF THE ASK</p>	<ul style="list-style-type: none"> » Steering Committee and Program Developer will complete detailed design » Pass design to a selected Program Administrator for Phase 3: Implementation
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43

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>SCOPE OF PHASE 2B</p> <p>LEGAL/REGULATORY REVIEW</p> <p>STAKEHOLDER ENGAGEMENT</p> <p>DETAILED DESIGN</p> <p>APPROVAL OF THE ASK</p>	<ul style="list-style-type: none"> » Impactful forward showing design details to tackle: <ul style="list-style-type: none"> – Transmission and Deliverability – Imports and Exports – Resource Eligibility re: Contract Requirements – Qualifying Capacity Methodologies and Specifics » Will also consider conceptual operational design questions <ul style="list-style-type: none"> – Accessing pooled capacity – Load forecasting/validation and program mechanics
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44



45

45

<p>REVIEW OF PHASE 2A ACCOMPLISHMENTS</p> <p>SCOPE OF PHASE 2B</p> <p>APPROVAL OF THE ASK</p>	<p>» Steering Committee requests:</p> <ul style="list-style-type: none">– Acceptance of the conceptual design– Additional funding and approval to advance to Phase 2B– Support for hiring the Program Developer
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46

46

BANC Resource Committee

NWPP Resource Adequacy Project Discussion

Jim Shetler
BANC General Manager

7/14/20

BALANCING AUTHORITY OF NORTHERN CALIFORNIA

A JOINT POWERS AUTHORITY BETWEEN

Modesto Irrigation District | City of Redding | City of Roseville | Sacramento Municipal Utility District | City of Shasta Lake | Trinity Public Utility District

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AGENDA

- Review Status of NWPP RA Project To Date
- Discuss Potential Engagement in Phase 2B
- Requested Action



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NWPP RA Project Background

- Driven by winter 2018/2018 near power shortages
- NWPP commissioned study to determine extent of problem
 - Forecasted capacity shortages of ~2,000 MW by 2020 and up to ~6,000 MW by 2028
- NWPP launched RA Project
 - Phase 1 – 4/2019 – 9/2019
 - Review studies
 - Define RA issues & options for NWPP footprint



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NWPP RA Project Background (2)

- RA Project (cont'd)
 - Phase 2A – 10/2019 – 6/2020
 - Develop RA program at conceptual level
 - Review possible structures
 - Proposed Phase 2B – 7/2020 – 1st Qtr. 2021
 - Retain Program Developer to define program at sufficient detail to allow specification for hiring Program Administrator



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NWPP RA Project Phase 2A

- Documented Conceptual Design
 - Developing a capacity program
 - All resources eligible; Will define contribution methodology
 - Forward Showing Periods – entities prove ability to meet RA requirements
 - Binding Periods
 - Winter (Nov. - Mar.)
 - Summer (June – Sept.)
 - Advisory Periods
 - Spring (Apr. – May)
 - Fall (Oct.)
 - Operational Period – entities access pooled resources & diversity benefits
 - Penalty for non-compliance
- Participation
 - Voluntary to join
 - Joining commits to meeting requirements and delivering when called upon

BALANCING AUTHORITY OF NORTHERN CALIFORNIA



NWPP RA Project Phase 2B

- Retaining Program Developer
 - Develop detailed design, including
 - Rules
 - Regulations
 - Governance
 - Design of modeling tools
 - Cost estimate for future decision-making
- Detailed specification for use in RFP for hiring RA Program Administrator



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Key Legal & Regulatory Considerations

- Point of Compliance
- Role of Program Administrator & FERC jurisdiction
- Preserving non-jurisdictional status of PMA/POUs
- Independence of governance/Board – “Public Utility” requirement



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Staging of Functionality

- Stage 0 – Interim Solution (Mid-2020)
 - Under consideration
 - Voluntary coordination (BANC not looking to engage at this time)
- Stage 1 – Non-binding Forward Showing Program (2021-2022)
- Stage 2 – Binding Forward Showing Program/Operations Lite (2022)
- Stage 3 – Binding Forward Showing + Full Operational Program (2023-2024)



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BANC Expenditures

- Phase 1 - \$~3,700
- Phase 2A - \$~27,000
- Phase 2B - \$50k – 75k



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Next Steps

- Reasons to Continue to Participate
 - Voluntary & relatively low cost
 - Potential for access to “pooled” RA resources
 - Keep informed on how this may impact EIM/EDAM RS requirements
- ***Requested Action – Committee concurrence to recommend Phase 2B participation to the Commission***



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Manager
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**Balancing Authority of Northern California
Resolution 20-07-16**

Authorization for NWPP RA Project Phases 2A Expenditures and 2B Participation

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 participates in the Northwest Power Pool (NWPP) Reserve Sharing Group; and

WHEREAS, grid events in the Pacific Northwest caused discussions among the NWPP participants about the need to consider moving to a voluntary but more formalized resource adequacy (RA) paradigm for participants; and

WHEREAS, the General Manager previously authorized BANC’s participation in Phase 1 and Phase 2A of this NWPP RA initiative, given the impact on BANC and its members, under the General Manager’s authorized delegations approved by the Commission and within approved budget parameters; and

WHEREAS, BANC’s share of the actual expenditures for Phase 1 and Phase 2A came in at approximately \$30,000, thus exceeding the delegated authority of the General Manager; and

WHEREAS, NWPP is now seeking funding from participants for Phase 2B of the initiative, the cost of which to BANC will be approximately \$75,000; and

WHEREAS, these issues have been brought forward to the BANC Resources Committee and the proposed action has Committee concurrence.

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

1. Approve NWPP RA program expenditures for Phase 1 and 2A in an amount not to exceed \$32,000.
2. Authorize the General Manager to enter into a funding agreement for Phase 2B, with an amount not to exceed \$75,000.
3. Request that the General Manager report back to the Commission by October 30, 2020 if any BANC Budget adjustments are required to cover these expenditures.

**Balancing Authority of Northern California
Resolution 20-07-16**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 22nd day of July 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	Arlen Orchard				
TPUD	Paul Hauser				

Dan Beans
Chair

Attest by: C. Anthony Braun
Secretary