

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

November 18, 2020

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) and Strategic Planning Session 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)	Laura Lewis
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Paul Hauser

Agency	Liaison(s)
Western Area Power Administration (WAPA)	Arun Sethi Brian Griess Jeanne Haas

1. Call to Order: Mr. Shetler reviewed attendance and confirmed that a quorum was present. Chair Beans called the meeting to order at 2:04 p.m.
2. Matters Subsequent to Posting the Agenda: Mr. Shetler noted that a proposed adjustment to the BANC Resource Sufficiency Test Approach document was expected to be discussed under the appropriate agenda item, but there were no changes to the agenda itself.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: Mr. McFall moved, Ms. Lewis seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting & Strategic Planning Session held on October 28, 2020; (B) BANC Operator Report for October; (C) Compliance Officer Report for November; (D) PC Committee Chair Report for November; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
 - A. Mr. Shetler provided an update on EIM Phase 1 and shared that the EIM Entities have been holding discussions with CAISO trying to understand impacts of the fall heat wave to the EIM market, particularly focused around resource sufficiency and export curtailments. Conclusions and possible recommendations may be available by the end of the year. CAISO has released 3rd quarter calculated total EIM benefits estimated at \$119 million, with BANC/SMUD's estimated benefit calculated at \$8.7 million. BANC is

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on track to go live with EIM Phase 2 on March 25, 2021 concurrent with TID. Three other entities (Public Service of New Mexico, LADWP, Northwestern) are expected to follow on April 1st. All major activities are generally on track. Resource Sufficiency will be discussed under the next item on the agenda. The Settlements Allocation manual is expected to be brought to the Commission at the December meeting, and Phase 2 testing and training is underway.

A Resource Sufficiency test approach and flex ramp grace period proposal has been developed by the EIM Phase 2 participants. Mr. Shetler provided a brief overview and invited Arun Sethi from WAPA to update the Commission on their requested changes to the BANC Resource Sufficiency Test Approach document contained in the packet. The redline changes to the document were presented for review and discussion. Ms. Bertolino thanked the EIM participants for their efforts in coming up with a compromise and stated for the record that Roseville expects to pay their fair share of costs. Mr. Braun then presented a proposed change to the resolution clarifying that further revisions to the document up for approval were made by the Commission based on comments received from WAPA. With no objections or further discussion from the members, Ms. Bertolino moved to approve the resolution as amended, Ms. Lewis seconded, and the participating Commissioners voted unanimously in favor of Resolution 20-11-11 *Approval of Balancing Authority of Northern California Energy Imbalance Market Resource Sufficiency Test Approach and Flex Ramp Grace Period*. Mr. Shetler also thanked the Commission and echoed Commissioner Bertolino's comments, stating that the members worked collaboratively to come up with an interim approach that would work for everyone, and he believed that a long-term solution was achievable in 2021.

Future requested Commission actions expected to be brought forth in the December through February timeframe include approval of the Settlement Allocations Manual, Risk Policy, an amendment to the BANC/SMUD EIM Services Agreement, and updated EIM Participation Agreements.

Regarding EDAM, Mr. Shetler shared that the EIM Entities filed joint comments on the Bundle 1 Issue Paper (Transmission, Resource Sufficiency, and Congestion Revenues), showing support with some caveats, on November 12, 2020. Comments primarily focused on ensuring an adequate Resource Sufficiency test, while providing clarifications on transmission approaches, the "voluntary" nature of EDAM, and on CAISO proposals for sharing transfer and congestion revenues. Once CAISO evaluates and reviews comments, the general expectation is that a revised proposal may be issued, potentially accompanied by a workshop in early Q1 2021. A Bundle 2 issue paper (GHG, Ancillary Services, Full Network Model Phase 2, EDAM Administrative Fee), originally anticipated in Q4 2020, is also anticipated in Q1 2021.

In response to the August/September heatwave, in addition to other developments in CA and within CAISO, BANC has spent some time reviewing its own Summer Assessment plan. BANC is looking at a more rigorous evaluation for 2021 focused on the following areas: Resources, Loads, Imports, and Sensitivities/Scenarios. Further discussion on the 2021 draft plan is anticipated at the December BANC Operating Committee meeting, with the goal of completing an initial analysis in Q1 and updating the Commission by the end of Q1 2021.

Mr. Shetler also briefly touched on two strategic planning issues. With respect to the Draft Business Case for BANC OASIS, a cost/benefit analysis has been initiated, and a Commission update is planned for the December meeting. Mr. Shetler has also been

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providing regular updates to the TANC Commission. Regarding Strategic Initiatives, the 2019-20 Initiatives are considered complete. As no comments have been received on the Draft 2020-21 Strategic Initiatives, they are now considered accepted and Mr. Shetler will begin reporting out on them. At present, the BANC OASIS proposal has not been included in the 2020-21 Initiatives, pending further review and/or recommendations by the Commission.

- B. Mr. Shetler confirmed that no further revisions were required to the 2020 BANC budget. He then walked through the proposed 2021 Annual Budget for BANC. Ms. Lewis moved, Mr. Hauser seconded, and the participating Commissioners voted unanimously in favor of Resolution 20-11-12 *Approval of 2021 Annual Budget for BANC*.
- C. Mr. Shetler invited Ms. Kris Kirkegaard from BBSW to provide an overview of the proposed 2021 BANC Commission Meeting calendar. Mr. McFall moved, Ms. Bertolino seconded, and the participating Commissioners voted unanimously in favor of Resolution 20-11-10 *Resolution Setting the Regular Meeting Dates for 2021*.

The Commission adjourned at 2:51 p.m.

Minutes approved on December 16, 2020.

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C. Anthony Braun, Secretary