

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

December 16, 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)	Paul Lau
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 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 4:01 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. McFall moved, Ms. Bertolino 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 November 18, 2020; (B) BANC Operator Report for November; (C) Compliance Officer Report for December; (D) PC Committee Chair Report for December; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
 - A. Mr. Shetler provided an EIM update and reported that EIM Entity discussions with CAISO continue regarding heatwave impacts. A summary of these discussions is expected in January and the Commission will be updated. It is anticipated that some adjustments to the resource sufficiency test and EIM operations may be made prior to Summer 2021, but no specifics are available at this time. All major activities for EIM Phase 2 Implementation are on track for the March 25 2021 go-live date.

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

Mr. McFall thanked everyone who worked on this effort and subsequently moved, with Mr. Hauser seconding, and Commissioners voted unanimously in favor of Resolution 20-12-08 *Approval of Balancing Authority of Northern California Energy Imbalance Market Settlement Allocations Manual for BANC EIM Phase 2 Operations*.

Ms. Bertolino moved, Mr. Lau seconded, and the participating Commissioners voted unanimously in favor of Resolution 20-12-09 *Authorization of Amendment to Utilicast Contract for Extension of Services Related to Phase 2 of Energy Imbalance market Post Go-Live Support*.

Ms. Anderson raised a question regarding resolutions that the BANC Commission may pass affecting EIM budget allocations and how WAPA could be impacted without having a vote. Mr. Shetler suggested that one way to address this may be to address this through revisions to the EIM Participation Agreement, which will be forthcoming. Mr. Shetler committed to working directly with WAPA on this process.

A subsequent discussion regarding the CAISO Collateral Account followed, with Mr. Shetler updating the Commission regarding the expected increase in required collateral for Phase 2 participation. A BANC EIM Reserve Fund in the amount of \$4 million was proposed for consideration, with \$3 million funding the CAISO Collateral Account and \$1 million remaining in the Reserve Fund to be used for short-term collateral account adjustment. It was acknowledged that the allocation methodology would need to be reviewed after sufficient EIM Phase 2 operations experience. Ms. Bertolino expressed some concern about the potential member allocations and suggested that some members may be greater drivers of the need for additional collateral than others, in addition to a concern about whether WAPA may be expected to provide funding beyond what they've already committed to. Ms. Anderson concurred that funding above levels already committed to would be a challenge for WAPA and suggested that perhaps seasonal adjustments be considered. Mr. Lau and Mr. Beans also voiced support for exploring alternate allocation methodologies and identifying options which may limit WAPA's financial liabilities beyond any budgeted amounts that have already been approved.

Mr. Shetler wrapped up the EIM update by sharing that the following items will be brought forward for Commission action prior to EIM go-live: Metering Policy, Risk Policies, an amendment to the BANC/SMUD EIM Services Agreement, and individual Entity EIM Participation Agreements.

Regarding EDAM, Mr. Shetler gave a high-level EDAM update. No formal notice regarding next steps on the Bundle 1 items (Transmission, Resource Sufficiency, Congestion Revenues) are expected until early 2021. Bundle 2 items (GHG, Ancillary Services, Full network Model Phase 2, EDAM Administrative Fee) have been delayed while CAISO focuses on the Day Ahead Market Enhancements effort.

Mr. Shetler shared that a draft BANC Summer Assessment plan has been shared with the Operating Committee (OC) and Resource Committee, and the OC has concurred with the plan. Data requests have been sent out to members, with responses due in early January. The goal is to update the Commission by the end of the first quarter 2021. On a related note, the joint agencies have drafted their SB100 report, which is out for review and comment. Detailed reliability/deliverability analyses have not yet been performed. A reduced level of natural gas generation has been assumed, and there may be a push for an earlier goal for zero GHG.

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

Finally, Mr. Shetler gave an overview of updates to the draft business case for a BANC OASIS. A draft cost/benefit analysis was provided and reviewed with the Commission. Mr. McFall asked for more information regarding the benefits to BANC. Mr. Shetler responded that the potential exists for better market benefits alignment under a BANC OATT/OASIS, with BANC as the market engagement entity. Ms. Bertolino also asked whether all of the other EIM Participants had their own OATT, which they do. Mr. Smith also provided insights related to market efficiency, coordination, and optimization. Mr. Shetler suggested that perhaps additional thought be given to how third party/non-members would be engaged in participation and that this be revisited in the second quarter of 2021, considering that strategic planning is happening on a parallel track at TANC.

- B. Mr. Braun provided an update regarding the General Manager status as an independent contractor in relation to AB 5 and AB 2257. Additional reviews are taking place to determine any potential impacts in parallel with performance review planning between BANC Counsel and the Commission Chair, along with a review of the existing GM agreement.

6. Closed Session: The Commission retired to closed session at 3:27 p.m. for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9; one matter.

The Commission adjourned from closed session at 3:46 p.m., where no formal action was taken.

Minutes approved on January 27, 2021.

DocuSigned by:

Tony Braun

B8EAA3BA621742F...

C. Anthony Braun, Secretary