

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

March 24, 2021

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	Todd White, Alternate
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Paul Hauser

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

1. Call to Order: Mr. Jim Shetler reviewed attendance and confirmed that a quorum was present. Chair Beans called the meeting to order at 2:01 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: Alternate Commissioner White moved, Commissioner McFall seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on February 24, 2021; (B) BANC Operator Report for February; (C) Compliance Officer Report for March; (D) PC Committee Chair Report for March; and (E) General Manager's Report and Strategic Initiatives Update. *Note: the agenda incorrectly identified the date of the Minutes being approved as January 27, 2021 rather than February 24, 2021. The minutes included in the packet for approval were the February minutes.*
5. Regular Agenda Items – Discussion and Possible Action:
 - A. Mr. Shetler provided an EIM update, with no new updates on EIM Phase 1. He reported that Parallel Operations ended on March 17th, and EIM Phase 2 was going live at midnight (3/25) concurrent with TID. A tremendous effort has gone into preparations, and no issues were anticipated. LADWP and Public Service of NM are expected to go live April 1st, and Northwestern has delayed their go-live until June as a result of staffing challenges related to the hiring of EIM operators. The CAISO is expected to publish a

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press release for BANC and TID's go-live, and BANC is working with WAPA to draft a joint press release; both will be shared with the Commission as soon as they are available.

Regarding the EIM Phase 2 collateral approach involving the assignment of participant unsecured credit, SMUD has executed a guaranty with CAISO for a \$5 million assignment to BANC. Other member participants are reviewing next steps for contributing their share/allocation by June 1, 2021. Further discussion is needed between BANC/CAISO/WAPA-SNR.

Mr. Shetler introduced the BANC Internal Risk Management Policy included in the packet and Mr. Kevin Smith, BANC Counsel, offered to answer questions. No questions were raised by the Commission. Commissioner McFall moved, Alternate Commissioner White seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-03-15 *Approval of BANC Internal Risk Management Policy*.

Mr. Shetler reiterated that the EDAM stakeholder process has been delayed until mid-2021 as the CAISO focuses on the Summer 2021 Readiness initiative. Mr. Tony Braun, BANC Counsel, provided a brief Governance Review Committee (GRC) update. In late 2020, the GRC put out a recommendation on a series of governance reforms to reflect changes in EIM and plan for a prospective EDAM. They included several items, most notably a move from a 'delegated authority' model to a 'joint authority' model. Other recommendations included: integrating public power into an advisory role for the Body of State Regulators (BOSR), engaging an additional market expert at the discretion of the governing body to assist them in making decisions on market issues, confirming that CAISO will not be funding the BOSR, augmenting/maturing the role of the Regional Issues Forum, among others. Because the joint authority recommendation received opposition from multiple stakeholders, an interim recommendation to move forward with the rest of the package is expected, allowing more time to reach consensus on the joint authority model. As early as April, the GRC is expected to consider and possibly approve the final recommendations, which should be released for review soon.

Mr. Shetler provided an update on the CAISO Summer Enhancements initiative. A final straw proposal was issued on March 19th, addressing EIM Resource Sufficiency Test improvements, CAISO Export Priorities, and Wheel-throughs. Dialogue continues among the CAISO and stakeholders on all of these issues. System Market Power Mitigation recommendations have been deferred.

Mr. Mark Willis, representing the BANC Operator, provided an overview of BANC's 2021 Summer Assessment efforts. He thanked all entities for their support in providing data, as these are the most extensive analyses BANC has ever undertaken on both the grid and merchant sides. At the BA level, the preliminary base case summary indicates sufficient resources to meet demand and operating reserves for both 1:2 and 1:10 load forecasts, barring unforeseen events. Additional sensitivity/scenario studies are still underway, and a final draft report is expected to be ready for April BANC Operating Committee review and Commission review and acceptance at its April meeting. A few clarifying questions were asked by Commissioners and additional discussion ensued related to the latest discussions with CAISO regarding summer enhancements, additional procurement authorized by the CPUC, and other considerations. Mr. Shetler stated that additional discussion with the Commission and updates would be forthcoming at the April meeting.

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Regarding the 2021 BANC Strategic Planning Meeting, Mr. Shetler shared that the proposed date is currently August 25th in the afternoon, either in person or via webinar. Potential topics include: future reliability and planning challenges, market development in the West, and SMUD's 2030 "Zero" Carbon Plan and what it means for BANC. He requested additional input on topics from the Commissioners and noted that he would be conducting individual meetings with Commissioners in the coming months. Commissioner Lau committed to sending SMUD's plan to the Commissioners once it has been released publicly (expected near the end of the month.)

- B. Mr. Shetler introduced the BANC 2020 Audited Financials and noted that BANC once again had a clean audit with no findings. Chair Beans invited questions from the Commission, and none were forthcoming. Mr. Shetler then requested that the Commission accept results of the audit. After no further discussion or objections, the Commission accepted the audited financials.
 - C. Alternate Commissioner White moved, Commissioner Lau seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-03-16 *Accepting and Adopting the BANC Member Participation Percentages for 2021*.
6. Closed Session: The Commission retired to closed session at 2:54 p.m. for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9.

The Commission adjourned from closed session at 3:37 p.m., where no formal action was taken.

Minutes approved on April 28, 2021.

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C. Anthony Braun, Secretary