

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

May 26, 2021

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

Representatives Present:

<b>Member Agency</b>	<b>Commissioner</b>
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	Absent
Trinity Public Utilities District (TPUD)	Paul Hauser

<b>Agency</b>	<b>Liaison(s)</b>
Western Area Power Administration (WAPA)	Sonja Anderson Jeanne Haas Arun Sethi Brian Griess

1. Call to Order: Mr. Jim Shetler, BANC General Manager, reviewed attendance and confirmed that a quorum was present. Chair Beans called the meeting to order at 2:00 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: Commissioner Hauser moved, Commissioner McFall seconded, and the participating Commissioners (Roseville joined following the Consent Agenda) unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on April 28, 2021; (B) BANC Operator Reports for March (revised) and April; (C) Compliance Officer Report for May; (D) PC Committee Chair Report for May; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Shetler shared that BANC EIM Phase 2 operations have been smooth to-date with EIM tie points fully open. Technical evaluations and Settlements subcommittees have been established and are actively meeting. Bal and Flex Ramp Test performance are being monitored and will continue to be evaluated as needed.  
  
On April 2<sup>nd</sup>, CAISO declared an EIM market disruption, and the practice is to use the EIM Entity's default pricing outlined in its OATT. This issue was not contemplated in the

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BANC Business Practices (BPs) for Phase 2, and because there are two OATTs – SMUD and WAPA – an interim solution was required and SMUD default pricing was used for the April 2<sup>nd</sup> event. Following additional discussions with both entities, a proposal to formalize the administrative pricing for BANC through an amendment to the BPs has been developed for consideration by the Commission.

Commissioner McFall moved, Commissioner Hauser seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-05-17 *Approval of BANC EIM Administrative Pricing Proposal*.

Mr. Shetler reviewed the proposed approach for assignment of EIM Participant unsecured credit. Member participants are in the process of executing their individual member guarantees and the current expectation is that this will be completed by the end of June. A meeting between WAPA, CAISO, and BANC took place in early May with a follow-up scheduled, as options for WAPA continue to be explored. A proposal to formalize the approach as Attachment B to the BPs has been put forth for Commission consideration.

Commissioner Bertolino moved, Commissioner Lau seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-05-18 *Approval of BANC EIM Unsecured Credit Pool*.

- B. Mr. Shetler shared with the Commission that there were no updates related to the EDAM stakeholder process, as it remains on hold until fall of 2021. Mr. Tony Braun, BANC Counsel, updated the Commission on developments related to the Governance Review Committee (GRC). The GRC held a workshop last week to socialize with the broader stakeholder community a proposal that is likely to be put forth related to EIM Governance changes. The proposal greatly expands the authority of the EIM Governing Body and adopts a Joint Authority Model for matters applicable to EIM, whereby approval of the EIM Governing Body would be required to make a tariff or market rule change. A written comment period extends through June 11<sup>th</sup> followed by a drafting period and issuance of a final proposal before it is calendared for approval toward the end of summer. A clarification was made that this proposal does not apply to EDAM.

With respect to CAISO Summer Enhancements, Mr. Shetler shared that a final straw proposal was approved by the CAISO Governing Body and tariff amendments filed at FERC. Interventions have been filed by a number of entities, and BANC filed in support of the Export Priorities and Generation Derates approach and expects to file an intervention on the other issues to stay apprised of developments.

- C. Mr. Shetler provided a NWPP Resource Adequacy Program update, stating that Phase 2B of the effort is wrapping up and a decision on continuing to participate will be needed by August. He also noted that the point of compliance for the program is the Load Responsible Entity, which is the Load Serving Entity (LSE) or anyone representing LSE(s). This means that any LSE within BANC could become a participant whether BANC decides to participate or not. Mr. Shetler stated that the next steps involve attending an LSE information forum, evaluating results from program developer analyses, reviewing cost estimates for the next phase of the project, and further discussion with the BANC Resources Committee regarding a recommendation for Commission consideration.
- D. Mr. Shetler introduced a proposal that has been developed via POU BAA coordination with the California Municipal Utilities Association (CMUA) that would allow BANC to

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participate with the other BAAs in a collaborative approach to the next phase of SB100 analyses. He noted that there is sufficient funding within the contingency of the 2021 budget to cover this effort. Ms. Anderson expressed WAPA's interest in staying engaged with the ongoing conversations around this topic.


Commissioner McFall moved, Commissioner Bertolino seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-05-19 *Approval to Participate in Joint Public Power Engagement with California Energy Commission, CAISO, and State Agencies for System Modeling Resulting from SB100 Implementation.*

- E. Mr. Shetler reminded the Commission that BANC's 2021 Strategic planning session is currently scheduled for the afternoon of August 11<sup>th</sup> at 555 Capitol Mall in the 3<sup>rd</sup> Floor Boardroom; telephonic participation is also a potential option. He also stated the need for a June Commission meeting was being evaluated and that the Commission chair will need to be replaced at the next meeting.

6. Closed Session: The Commission retired to closed session at 2:35 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 2:50 p.m., where no formal action was taken.

Minutes approved on July 28, 2021.

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C. Anthony Braun, Secretary