

**Balancing Authority of Northern California**

# Regular Meeting of the Commissioners of BANC

**2:00 P.M.**

**Wednesday, January 24, 2024**

**555 Capitol Mall, Suite 570**

**Sacramento, CA 95814**

# 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 **January 24, 2024** at **2:00 p.m.** at **555 Capitol Mall, Suite 570, Sacramento, CA 95814.**

The following information is being provided as the forum by which members of the public may observe the meeting and offer public comment:

**Phone:** 1-301-715-8592 or 1-305-224-1968

**Meeting ID:** 895 5518 0874

**Passcode:** 316160

**Meeting Link:** <https://us06web.zoom.us/j/89555180874?pwd=ZpOnTJVXOH5gwbyTOCrJS9CnWBIOA.eFcmj4jJPb3L6pki>

### Additional Public Meeting Location(s):

In addition to the primary meeting location listed above, any member of the public may also observe the meeting and offer public comment at the following address(es):

#### City of Shasta Lake

4332 Vallecito Street, Training Room (2<sup>nd</sup> Floor)  
Shasta Lake, CA 96019

#### Roseville Electric

116 S Grant Street (Geothermal Conference Room)  
Roseville, CA 95678

#### Redding Electric Utility

3611 Avtech Parkway (Executive Conference Room)  
Redding, CA 96002

## AGENDA

- 1 Call to Order and Verification of Quorum.**
- 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 November 15, 2023.
  - B. BANC Operator Report (November and December).
  - C. Compliance Officer Report (December and January).
  - D. PC Committee Chair Report (December and January).
  - E. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
  - A. General Manager Updates.
    - i. Market Updates – EIM, EDAM, Markets+, WRAP.
  - B. Member Updates.
- 6 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 [administrator@braunlegal.com](mailto:administrator@braunlegal.com).

## **Balancing Authority of Northern California**

# Consent Agenda Items

- A. Minutes of the November 15, 2023 BANC Regular Meeting.**
- B. BANC Operator Reports (November and December).**
- C. Compliance Officer Reports (December and January).**
- D. PC Committee Chair Reports ( December and January).**
- E. General Manager Report.**

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

November 15, 2023

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held at 35 Iron Point Circle, Suite 225, Folsom, CA 95630.

Representatives:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	Martin Caballero
City of Redding	Nick Zettel
City of Roseville	Dan Beans
Sacramento Municipal Utility District (SMUD)	Laura Lewis, Alternate
City of Shasta Lake	James Takehara (remote)
Trinity Public Utilities District (TPUD)	Paul Hauser, Chair

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kris Kirkegaard	General Counsel Support
James Leigh-Kendall	BANC Compliance Officer
Maria Veloso-Koenig	BANC Operator
Janice Zewe	BANC Planning Coordinator Chair
Shawn Matchim	Alternate Commissioner, Roseville
Brian Griess	WAPA
Jeanne Haas	WAPA
Arun Sethi	WAPA
Michelle Williams	WAPA

1. Call to Order and Verification of Quorum: Mr. Shetler verified that there was a quorum to proceed; attendance is noted above. Chair Hauser called the meeting to order at 2:05 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Chair Hauser invited comments from the Commission and a motion on the Consent Agenda; no comments.

<b>ACTION:</b> M/S (Beans/Zettel) to <b>approve the Consent Agenda</b> . Motion carried by a unanimous voice vote.
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MINUTES OF THE REGULAR MEETING  
OF THE COMMISSIONERS OF  
THE BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

5. Regular Agenda Items.

A. General Manager Updates:

i. Market Updates – EIM, EDAM, Markets+, WRAP.

Mr. Shetler provided a brief overview of ongoing operations; EIM Committee oversight, including subcommittee updates; an EDAM markets update; and updates on SPP Markets+, WMEG, and WRAP.

ii. Draft BANC 2023/2024 Strategic Initiatives Review and Possible Acceptance.

Mr. Shetler overviewed the draft initiatives and requested any input. There were no suggested changes, and the Commission concurred with the initiatives.

B. Consider and Possibly Approve Resolution 23-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2023 Transmission Planning Assessment.

Mr. Shetler introduced Janice Zewe, BANC Planning Coordinator Committee Chair, who presented the assessment to the Commission. There were no questions.

**ACTION:** M/S (Beans/Lewis) to **approve Resolution 23-11-01 Acknowledgement and Acceptance of BANC Planning Coordinator Area 2023 Transmission Planning Assessment.** Motion carried by a unanimous roll call vote.

i. Consider and Possibly Approve Resolution 23-11-02 Approval of Amended Management Services Agreement between BANC and Adirondack Power Consulting, LLC.

Mr. Braun introduced this item. There were no questions.

**ACTION:** M/S (Zettel/Caballero) to **approve Resolution 23-11-02 Approval of Amended Management Services Agreement between BANC and Adirondack Power Consulting, LLC.** Motion carried by a unanimous roll call vote.

ii. Consider and Possibly Approve Resolution 23-11-03 Approval of BANC Commission Policies – Delegations of Authority, Financial Policy, Budget Policy.

Mr. Braun overviewed the proposed policies and the process for developing them. There were no questions.

**ACTION:** M/S (Beans/Lewis) to **approve 23-11-03 Approval of BANC Commission Policies – Delegations of Authority, Financial Policy, Budget Policy.** Motion carried by a unanimous roll call vote.

C. Consider and Possibly Approve Resolution 23-11-04 Resolution Setting the Regular Meeting Dates for 2024.

Mr. Shetler called on Kris Kirkegaard, General Counsel Support, to overview the 2024 calendar. There were no questions or suggested changes.

**ACTION:** M/S (Lewis/Zettel) to **approve Resolution 23-11-04 Resolution Setting the Regular Meeting Dates for 2024.** Motion carried by a unanimous roll call vote.

D. Member updates.

Mr. Shetler notified the Commission that he was rescheduling his BANC Fundamentals presentation at Redding and planned to schedule another to be held at Roseville. He

MINUTES OF THE REGULAR MEETING  
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also noted that he did not have any planned agenda items for a December Commission meeting and was currently anticipating cancelling the next meeting.

Commissioner Caballero noted the MID board's recent approval of a rate increase. Commissioner Zettel shared that Redding has set a public hearing on rates for December 5<sup>th</sup>. In addition, the city council approved the 2024 Integrated Resource Plan, and Redding successfully completed their first WECC audit as a TO/TOP. Alternate Commissioner Matchim noted a planned rate adjustment for Roseville, with public meetings scheduled starting in January. Commissioner Takehara made note of an IBEW contract update and a planned move of their offices into a building they've purchased in the new year. Alternate Commissioner Lewis gave an update with respect to SMUD's planned rate increase and noted that they were awarded a \$50 million grant from the Department of Energy for the Grid Resilience and Innovative Partnerships (GRIP) program, which will allow them to expedite the installation of next generation smart meters, increasing communication with customers and integrating them into their distributed energy resource management system. She also gave an update on SMUD's partnership with Calpine. Commissioner Hauser briefly touched on rates and cost pressures related to TPUD.

The Commission adjourned at 3:16 p.m.

Minutes approved on January 24, 2024.

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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 November 2023

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
  - 2 Qualifying Events
  - 0 MW Qualifying Event request
  - 145 MW average generation lost
  - 152 MW maximum generation lost
  - Generating unit(s) and date(s) affected:
    - 11/7/2023 – Sutter Energy Center*
    - 11/8/2023 – Sutter Energy Center*
  - All recoveries within 8 minute(s)
- USF
  - 13 of 30 days with instances of USF mitigation procedure utilized
  - 0 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 5 Minutes
  - Number of BAAL exceedance >10 minutes: None
  - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
  - 2023 Frequency Response Obligation (FRO): -18.8 MW/0.1Hz
  - Q3 Frequency Response Measure (FRM): -52.9 MW/0.1Hz
  - Q3 Number of Under-Performed Events: 0 out of 1
  - Q1~Q3 Frequency Response Measure (FRM): -52.7 MW/0.1Hz
  - Q1~Q3 Number of Under-Performed Events: 0 out of 12

## Monthly Notes:

- None

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



# BALANCING AUTHORITY OF NORTHERN CALIFORNIA

P.O. BOX 15830 • D109 • SACRAMENTO • CA 95852 -1830

**TO:** BANC Commission

**RE:** BANC Operator Report for December 2023

## Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): N/A
- RSG Activations
  - 1 Qualifying Event
  - 0 MW Qualifying Event request
  - 566 MW average generation lost
  - 566 MW maximum generation lost
  - Generating unit(s) and date(s) affected:  
*12/9/2023 – Cosumnes Power Plant (CPP)*
  - All recoveries within 24 minute(s)
- USF
  - 15 of 31 days with instances of USF mitigation procedure utilized
  - 0 days on Path 66
  - No operational impact on BANC
- BAAL Operation:
  - Maximum duration of BAAL exceedance: 7 Minutes  
*Erroneous EIM dynamic schedule*
  - Number of BAAL exceedance >10 minutes: None
  - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
  - 2023 Frequency Response Obligation (FRO): -18.8 MW/0.1Hz
  - Q3 Frequency Response Measure (FRM): -52.9 MW/0.1Hz
  - Q3 Number of Under-Performed Events: 0 out of 1
  - Q1~Q3 Frequency Response Measure (FRM): -52.7 MW/0.1Hz
  - Q1~Q3 Number of Under-Performed Events: 0 out of 12

## Monthly Notes:

- None

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

### December 2023

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The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified on a future 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.
- BA/PC-applicable NERC Standard requirements are being reviewed in anticipation of the annual compliance self-certification submittal, which will be due to WECC in Q1 of 2024. BANC expects to receive a notice from WECC mid-December outlining the standards and requirements that will be in scope for this year.

#### **BANC MCRC:**

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 22<sup>nd</sup> via teleconference.

# Compliance Officer Report

## BANC Commission Meeting

### January 2024

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The following summarizes routine issues for the Commission's information and consideration. Any major issues or action items will be identified 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.
- BANC received WECC's annual Self-Certification notice on December 15<sup>th</sup>, requesting that BANC self-certify on eleven (11) BA/PC-applicable NERC Standard requirements by March 1<sup>st</sup>. A review of the in-scope standards is currently underway, and BANC is on track to meet the submittal deadline.

#### **BANC MCRC:**

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, January 22<sup>nd</sup> via teleconference.

# PC Committee Chair Report

## BANC Commission Meeting

### December 2023

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The following summarizes Planning Coordinator-related activities and updates for the Commission's information and consideration. Any major issues or action items will be identified separately on a future Commission agenda for action.

#### **BANC PC Committee Updates and/or activities:**

SMUD staff continue to work toward demonstrating compliance with PC-related NERC reliability standards.

- TPL-001-5 - Transmission System Planning Performance – The 2023 BANC PC TPL annual assessment has been completed. The report was approved and finalized on October 13<sup>th</sup> by BANC PC Committee members and presented to the BANC Commission seeking acceptance at their meeting on November 15<sup>th</sup>. The final report was sent to neighboring entities and the Reliability Coordinator as of December 1<sup>st</sup> to comply with the NERC IRO-017-1 standard.
- MOD-033 – Dynamic portion of the study has been completed. The steady state data request deadline is December 1<sup>st</sup> for PC participants. The steady state portion will be completed after receipt of the requested data.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-3 Interconnection Studies	100%	There are no BES interconnection projects for 2023-24 for BANC PC Participants.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	An updated version was sent to external stakeholders and BANC PC Participants on 12/31/2022.
3	FAC-014-2 Establish and Communicate SOLs	100%	Staff submitted finalized 2023 BANC PC FAC-014 SOLs study report to BANC PC participants and industry stakeholders on 10/03/2023.
4	IRO-017-1 Outage Coordination	100%	Awaiting the acceptance of the 2023 annual assessment to send to the Reliability Coordinator.
5	MOD-031-2 Demand and Energy Data	100%	Staff completed the 2023 data request cycle. The two sets of data have been uploaded to WECC. BANC also provided responses to L&R Narrative questions on 03/20/2023.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity. Data request to fulfill 13-month cycle for compliance was sent on 02/03/2023.
7	MOD-033-1 System Model Validation	50%	Dynamic portion has been completed. Steady State data request is due on 12/01/2023.
8	PRC-006-5 Underfrequency Load Shedding	100%	The WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector sent out the new 2023 data request, and BANC PC participants provided BANC PC and the OFSPR their responses for the Southern Island Load Tripping Plan (SILTP) report. The provided data will be aggregated into the coordinated load tripping plan and report for WECC by SMUD. The BANC PC portions of this data request was completed in June.
9	PRC-010-2 Undervoltage Load Shedding	0%	Another study is due by 12/30/2024.
10	PRC-012-2 Remedial Action Schemes	10%	New Standard effective 01/01/2021. Study Plan finalized 04/10/2020. The R4 assessment is not required until 01/01/2026 which means that the assessment and report must be finalized and published by 01/01/2026.
11	PRC-023-4 Transmission Relay Loadability	100%	Staff shared the finalized PRC-023-4 report to BANC PC Participants on 07/28/2023.
12	PRC-026-1 Relay Performance During Stable Power Swings	100%	Staff processed comments received and submitted the finalized PRC-026-1 report to BANC PC Participants on 10/27/2023.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
13	TPL-001-5 Transmission System Planning Performance	100%	Report approved by BANC PC Participants and BANC PC Committee on 10/13/2023. BANC Commissioners' acceptance received on 11/15/2023.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation.</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements was 07/01/2021.</p> <p>Ongoing, NERC has declared a GMD event (Kp&gt;7) for reporting purpose. The GMD event duration was from 11/3 2021 3:00pm to 11/4/2021 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/2022).</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/2022).</p> <p>Completed benchmarking and supplemental GMD Vulnerability Assessment of the Near-Term Transmission Planning Horizon (R4 and R8), provided GIC flow information to the BANC PC members (R5 and R9) – Due 01/01/2023.</p>

# PC Committee Chair Report

## BANC Commission Meeting

### January 2024

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The following summarizes Planning Coordinator-related activities and updates 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 Updates and/or activities:**

SMUD staff continue to work toward demonstrating compliance with PC-related NERC reliability standards.

- MOD-031-2 – Demand and Energy Data – Staff is coordinating the 2024 Loads and Data request cycle. WECC broke up the data request into multiple spreadsheets with two sets of due dates. The first set of sheets are due January 30, 2024.
- FAC-014-3 - Staff is working with SMUD's Reliability Compliance and Coordination (RC&C) group to ascertain the requirements to comply with the new/revised version of FAC-014-3, which will be effective on April 1, 2024.
- TPL-001-5 - Transmission System Planning Performance – Prep work, including base case selection and drafting of the study plan, is expected to be completed in February.

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

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
1	FAC-002-4 Interconnection Studies	0%	There are no BES interconnection projects for 2024 for BANC PC Participants per 2023 survey. However, a 2024 survey is planned to ensure no system upgrades meet the new definition of qualified changes for BANC PC for this year.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	An updated version was sent to external stakeholders and BANC PC Participants on 12/31/2022.
3	FAC-014-3 Establish and Communicate SOLs	0%	Staff will be ascertaining what is required for the new version of FAC-014-3 and whether BANC PC still needs to establish SOLs anymore since that is now the RC's responsibility.
4	IRO-017-1 Outage Coordination	0%	Awaiting the acceptance of the 2024 annual assessment to send to the Reliability Coordinator.
5	MOD-031-2 Demand and Energy Data	25%	Staff is coordinating the 2024 Loads and Data request cycle. WECC broke up the data request into multiple spreadsheets with two sets of due dates. The first set of sheets are due 1/30/2024.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity. Data request to fulfill 13-month cycle for compliance will be sent in February.
7	MOD-033-1 System Model Validation	0%	Study will begin in Fall 2024.
8	PRC-006-5 Underfrequency Load Shedding	0%	New BANC PC data request cycle will begin when the WECC OFSPR group data collector sends out a request in April-May 2024 timeframe. Staff has been participating on regular webinars hosted by WECC staff.
9	PRC-010-2 Undervoltage Load Shedding	0%	Another study is due by 12/30/2024.
10	PRC-012-2 Remedial Action Schemes	10%	Standard effective 01/01/2021. Study Plan finalized 04/10/2020. The R4 assessment is not required until 01/01/2026 which means that the assessment and report must be finalized and published by 01/01/2026.
11	PRC-023-4 Transmission Relay Loadability	0%	A new study plan for the 2024 assessment will be shared with BANC PC Participants for review in the upcoming months to kick off this year's assessment cycle.
12	PRC-026-1 Relay Performance During Stable Power Swings	0%	A new study plan for the 2024 assessment will be shared with BANC PC Participants for review in the upcoming months to kick off this year's assessment cycle.

	<b>PC Standard</b>	<b>Estimated % Complete</b>	<b>Notes</b>
13	TPL-001-5 Transmission System Planning Performance	0%	Study plan will be drafted for review in February.
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	100%	<p>Registered the SMUD/BANC PC GIC monitoring device at Carmichael with NERC – compliance requirement.</p> <p>Made request to the GIC manufacturer to increase sampling rate from the default once every hour to once every 10s or faster per NERC recommendation.</p> <p>SMUD sent the TPL-007-4 requirement R12 and R13 to the BANC PC members. The effective date for these requirements was 07/01/2021.</p> <p>Ongoing, NERC has declared a GMD event (Kp&gt;7) for reporting purpose. The GMD event duration was from 11/3 2021 3:00pm to 11/4/2021 11:59pm. Recording data for these two events would be downloaded and saved for reporting prior to the annual due date (06/30/2022).</p> <p>SMUD uploaded all 3 GMD events that were requested by NERC (due 06/30/2022).</p> <p>Completed benchmarking and supplemental GMD Vulnerability Assessment of the Near-Term Transmission Planning Horizon (R4 and R8), provided GIC flow information to the BANC PC members (R5 and R9) – Due 01/01/2023.</p>



# GM Report

## BANC Commission Meeting

### January 24, 2024

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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**

Dialogue continues with these entities regarding EIM participation. We continue to interact on an informal basis to make sure we are aligned on EIM issues from a POU perspective. We are routinely holding bi-weekly calls to provide updates and discuss issues. We have also used this forum to discuss POU positions regarding the EDAM development, other market design issues (e.g.- SPP Markets+), and to discuss potential summer heat wave impacts on EIM and EDAM design.

#### **Market Initiatives:**

##### **EIM Participation**

Staff continues monitoring EIM participation. CAISO quarterly benefit reports show that BANC is seeing benefits from EIM participation, with the 3<sup>rd</sup> Quarter 2023 report showing gross benefits of \$22.17 million for BANC, with a total of \$542.00 millions of gross benefits for BANC since joining in 2019.

With respect to BANC EIM Phase 2 effort, BANC has been passing both the EIM Capacity and Flex Ramp tests with a high success rate. Both the Technical Evaluation Subcommittee and the Settlements Subcommittee are meeting routinely and evaluating EIM operations, with reports out to the EIM Committee.

##### **EDAM Participation**

The CAISO filed the final proposed EDAM/DAME tariff with FERC on 8/22/23. BANC staff worked with the Legal Committee and other interested EDAM parties on a set of supportive comments which were filed at FERC in late September. The CAISO responded to comments in October and FERC approved the tariff on 12/21/23 with the exception of the Access Charge. In its order, the Commission accepted the overwhelming majority of the proposed market rules and rejected without

prejudice one element of the EDAM proposal related to transmission revenue recovery for market participants. FERC's approval of the CAISO tariff is a major step in the development of a broader market for the West. The rejected issue is better known as the EDAM Access Charge. This is significant for the BANC participants as it deals with TRR cost recovery and wheel through revenue make whole payments for certain lost wheeling revenues and includes the concept of no exposure to WAC charges for Day-Ahead transfers. Staff is initiating discussions with CAISO and other EDAM entities on how to address the FERC concerns in this area.

A group of Western state regulators (AZ, CA, NM, OR, and WA) have sent a letter to CREPC/WIRAB supporting the creation of an independent entity that would leverage the existing CAISO infrastructure for EIM and eventually EDAM to develop a cost-effective West-wide market. This would include a range of market services from EIM to EDAM to an RTO. It also deals with the CAISO governance issue by creating a separate independent entity. BANC views this as a positive development in ensuring a West-wide market that will include CA and supports the effort. The Western Markets Governance Pathways Initiative has proposed the formation of a "launch committee" made up of stakeholders from various groups to organize this effort. One of the stakeholder groups is for POU's. The BANC General Manager has been selected as a representative for the POU Sector and the Launch Committee efforts have been initiated. The Launch Committee held a stakeholder meeting on 12/15/23 where it outlined an initial set of governance options for consideration and evaluation and a follow-up stakeholder meeting on 1/19/24.

Based upon the Commission's unanimous approval at its 8/23/23 meeting, BANC staff have initiated the project efforts for EDAM Implementation, which includes starting dialogue with the CAISO project management group for EDAM and establishing the internal BANC project team. Initial kick-off of the BANC EDAM project team was held on 12/13/23. BANC met with Pacificorp on January 11, 2024, to start discussing joint EDAM implementation issues.

### **Other Market Developments**

In parallel with the re-initiation of the EDAM process, two other West-wide market developments are also in process:

1. SPP has announced its "Markets +" effort to support utilities in the West with a range of market options from EIM to full RTO services. SPP is currently forecasting a Markets+ tariff ready for filing at FERC in early 2024. They are seeking additional funding for the next phase of market development as well. Staff views Markets+ as a fallback option for BANC and will continue to monitor this market option but does not plan on seeking funding for participation in this next phase of their efforts.
2. A group of Western utilities formed a group called Western Market Exploratory Group (WMEG) with a stated purpose of identifying what a full market in the West should entail. The cost benefit study and other WMEG efforts were completed in June 2023 and the project was declared finished as

of June 30, 2023. The output of the WMEG cost benefit study is being used by some participants in their decision-making for day ahead market evaluation.

## **WAPA:**

### **Market Engagement**

WAPA-SNR continues to be an active participant in the EIM.

We have also held several discussions with WAPA-SNR to assist in their decision-making on EDAM participation. This has included more detailed discussions with the Brattle Group on the benefits study, joint discussions with the CAISO, and making the Utilicast consultant available for assistance. WAPA-SNR requested that the BANC contract with Utilicast be used as the mechanism for their EDAM “gap” analysis. The Commission approved this request at its 9/27/23 meeting. Utilicast provided a draft “gap” analysis report in January 2024 and expects to have a final report in February 2024.

## **WECC**

### **WECC Board Meetings**

The last set of Board and committee meetings were held on December 5-6, 2023, in Salt Lake City, UT. The next set of meetings will be March 12-13, 2024, in Salt Lake City, UT.

## **Western Power Pool (WPP)**

### **Western Resource Adequacy Program (WRAP)**

As agreed previously, BANC has informed WPP that it will not be participating in the Western Resource Adequacy Program (WRAP) due to our lack of ability to have firm, long-term transfer capability at Mid-C, which is the hub for the WRAP interchanges. BANC continues to monitor development of the WRAP and hold periodic discussions with WPP regarding our ability to participate in the future. WRAP continues to evaluate when it can move to a “binding” program with imposed penalties. Their preference is to be at the “binding” stage by 2026, but it could be as late as 2028. The WRAP program has also been working with the CAISO to ensure that there is interoperability between the WRAP and the proposed EDAM.

### **RSG and FRSG Participation**

BANC continues to participate in the Reserve Sharing Group and the Frequency Response Sharing Group through the WPP and receive benefits in doing so.

### **WPP Strategic Planning Effort**

WPP initiated a strategic planning effort to determine member interest in the future direction of the power pool. WPP staff stated that they view one of their roles as

providing services to its members that are not currently available since there is no West-wide RTO in place. An example would be integrated transmission planning.

### **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. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule and SMUD is initiating updated studies. The current schedule for the project is to initiate construction in 2033 with operations initiated in 2040's.

### **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 four POU BAs (BANC, IID, LADWP, and TID) are collaborating on positions and responses, facilitated by CMUA. The final, initial report was issued on 3/15/21. The CEC did reach out to the POU BAAs in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. Based upon recent discussions, the POU BAAs have hired a consultant via CMUA to assist in this effort. The Joint Agencies have also indicated that they will be initiating the next cycle of the SB100 effort to support issuing an update report by the required date of 1/1/25. The CEC is gearing up for engaging on the next SB100 report. BANC is working with IID, LADWP, and TID to coordinate our response to this effort.

### **Western Electricity Industry Leaders (WEIL) Group**

The WEIL CEOs last met on September 29, 2023, in Portland, OR. The next meeting of the WEIL group is planned for February 2, 2023, in San Diego, CA.

### **Strategic Initiatives**

The 2023/2024 Strategic Initiatives are attached to this report.

BANC 2023/2024 Strategic Plan - Routine Initiatives - January 2024 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		Maintain long-term succession plan and traits for General Manager	Jim Shetler/Commission	Ongoing as Necessary	No update planned for 2024
3 Medium		Develop appropriate policies, procedures, & action tracking	Jim Shetler/BB&W	4th Qtr. 2024	Initial policies & procedures approved at 11/15/23 mtg.
4 Medium	OUTREACH	Engage in industry forums (WECC, RC West, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & WPP mtgs.
5 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
6 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BB&W/WEL	Ongoing as Necessary	Pathways Initiative
7 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BB&W/WEL	Ongoing	Continue periodic discussions on areas of collaboration
8 Medium	ASSETS	Monitor RA development in WI	Jim S./BB&W/Res. Com.	4th Qtr. 2024	
9 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing as Appropriate	

BANC 2023/2024 Strategic Plan - Focused Initiatives - January 2024 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
10 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
11 High		EDAM evaluation effort ~ Engage Stakeholder Processes ~ Participate in CAISO Tariff Process ~ Manage BANC EDAM implementation	Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL Jim Shetler/BB&W/WEL/ Utilicast	Ongoing 1st Qtr. 2024  Apr-26	Tariff approved 12/21/23. Engaging on Access Charge Project kick-off 12/13/23
12 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, Tacoma, Idaho, PAC, & PGE
13 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	
14 High		Market Regionalization: ~Monitor ongoing discussions at WEIL, WWGPI, & etc.	Jim Shetler/BB&W/WEL	Ongoing	Pathways Initiative LC
15 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BB&W	Ongoing	
16 Medium	ASSETS	~ Develop agreements for Sutter CS Project	Jim S./BB&W/Res. Com.	6/30/24	Calpine obtained DOE grant
		~ Develop agreements for GSCE project participation	Jim S./BB&W/Res. Com.	6/30/24	Met with GSCE/CAISO on joint transmission operation
17 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	