

Balancing Authority of Northern California

Regular Meeting of the Commissioners of BANC

**2:00 P.M.
Wednesday, July 27, 2022
Teleconference Meeting**

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 **July 27, 2022 at 2:00 p.m.** **This meeting will be conducted pursuant to the provisions of Assembly Bill 361. Some, or all, of the Commissioners may attend the meeting electronically or telephonically.**

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

Phone number: 1-253-215-8782 **Meeting ID:** 827 7145 9485 **Passcode:** 454326
Meeting Link: <https://us06web.zoom.us/j/82771459485?pwd=QWFaaTF5RUJUb0ROQzhiYklicE1qZz09&from=addon>

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. Resolution 22-07-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.*
 - B. Minutes of the Regular Commission Meeting held on June 22, 2022.
 - C. BANC Operator Report (June).
 - D. Compliance Officer Report (July).
 - E. PC Committee Chair Report (July).
 - F. General Manager's Report and Strategic Initiatives Update.
- 5 Regular Agenda Items – Discussion and Possible Action.**
 - A. General Manager Updates.
 - i. EIM Update.
 - ii. EDAM Update.
 - iii. SB100 Update.
 - iv. Resource Procurement Update.
 - B. Consider and Possibly Approve Resolution 22-07-02 *Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Gap Analysis.*
 - C. Discussion and Preparation for September Strategic Planning Session.
 - D. 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.

Balancing Authority of Northern California

Consent Agenda Items

- A. **Resolution 22-07-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.***
- B. **Minutes of the June 22, 2022 BANC Regular Meeting.**
- C. **BANC Operator Report (June).**
- D. **Compliance Officer Report (July).**
- E. **PC Committee Chair Report (July).**
- F. **General Manager Report and Strategic Initiatives Update.**

**Balancing Authority of Northern California
Resolution 22-07-01**

**DETERMINATION THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO
THE HEALTH OR SAFETY OF ATTENDEES AS A RESULT OF
THE PROCLAIMED STATE OF EMERGENCY**

WHEREAS, on March 4, 2020 the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 authorizing exemptions to certain notice requirements under the Ralph M. Brown Act to facilitate virtual meetings of a legislative body of a local agency; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-12 extending the provisions of N-29-20 until September 30, 2021; and

WHEREAS, on September 16, 2021, the Governor of California signed Assembly Bill 361 which provides for the continued suspension of certain notice requirements for virtual meeting when a legislative body of a local agency holds a meeting during a declared state of emergency and either:

- (1) state or local officials have imposed or recommended measures to promote social distancing,
- or
- (2) the legislative body holds a meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, pursuant to AB 361, a legislative body of a local agency must, not later than 30 days after teleconferencing for the first time pursuant to AB 361, and every 30 days thereafter, reconsider the circumstances of the state of emergency and determine that the state of emergency continues to directly impact the ability of the members to meet safely in person.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California have reconsidered the state of emergency and hereby determine that meeting in person continues to present imminent risks to the health or safety of attendees as a result of the proclaimed state of emergency.

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 27th day of July, 2022.

James McFall
Chair

Attest by: C. Anthony Braun
Secretary

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

June 22, 2022

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California was held telephonically, pursuant to the provisions of Assembly Bill 361.

Representatives:

Member Agency	Commissioner
Modesto Irrigation District (MID)	Martin Caballero, Chair
City of Redding	Nick Zettel
City of Roseville	Dan Beans, Acting Chair
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	James Takehara
Trinity Public Utilities District (TPUD)	Absent

Other Participants:

Jim Shetler	General Manager
Tony Braun	General Counsel
Kevin Smith	General Counsel
Kris Kirkegaard	General Counsel Support
Sonja Anderson	Western Area Power Administration (WAPA)
Bryan Griess	WAPA
Jeanne Haas	WAPA
Arun Sethi	WAPA

1. Call to Order: Mr. Shetler verified that there was a quorum to proceed; attendance is noted above. Acting Chair Beans called the meeting to order at 2:01 p.m. Commissioner Hauser joined following the vote on the Consent Agenda.
2. Matters Subsequent to Posting the Agenda: Mr. Shetler noted that Resolution 22-06-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency* was unintentionally left out of the agenda packet, so it would be displayed for Consent Agenda voting.
3. Public Comment (any matter on the agenda): None.
4. Consent Agenda: Resolution 22-06-01 was displayed for the Commission and Acting Chair Beans invited comments from the Commission on the Consent Agenda, and there were none.

<p>ACTION: M/S (Caballero/Zettel) to approve the Consent Agenda. Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).</p>
--

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

5. Regular Agenda Items.

A. Annual Appointment of Commission Chair in accordance with BANC JPA Section 11.4.

In accordance with BANC JPA Section 11.4, a Commission Chair may hold the position for no more than two consecutive one-year terms. Mr. Shetler noted that he had spoken with Chair McFall, who indicated his willingness to continue in the position for a 2nd term, and the Commission unanimously accepted this extension.

B. General Manager Updates:

i. EIM Update:

Mr. Shetler provided a brief overview of ongoing operations to the Commission, noting that the Settlements Subcommittee was not recommending any change in the EIM Reserve Account.

ii. EDAM Update.

Mr. Shetler reported that that comments on the initial CAISO Straw Proposal had been submitted on June 16th. He noted that a 'gap analysis' proposal had been requested from Utilicast for consideration at a future meeting. He touched on the latest EDAM updates, along with updates related to other market options, including SPP Markets + and the Western Markets Exploratory Group (WMEG). COTP rights as they relate to markets will likely require additional consideration and discussions.

iii. SB 100 Update.

Mr. Shetler provided a brief update, noting that a POU BAA technical working group has been established, and discussions with Brattle and other BAAs are underway.

iv. Resource Procurement Update.

Mr. Shetler provided brief updates related to Western Power Pool Western Resource Adequacy Program (WRAP), noting that their public tariff is out for public comment, with an expectation of a July FERC filing. Regarding RA principles for BANC, initial discussions under the CES contract have been initiated and would continue in conjunction with the Resource Committee. Work related to the BANC Resources RFP is currently on hold while BANC awaits more information from the developer.

v. Frequency Response (FR) Update.

Mr. Shetler noted that a proposal had been submitted to CAISO for participation by SMUD in an FR program.

C. Review and Update of 2022 Summer Assessment.

Mr. Shetler introduced Mark Willis, who provided an update on the BANC 2022 Summer Load & Resources Assessment and answered questions from the Commission. Mr. Shetler said he would continue to keep the Commission apprised throughout the summer.

D. Consider and Possibly Approve Resolution 22-06-02 *Authorization of Market Support Services Contract Extension with Customized Energy Solutions.*

ACTION: M/S (Lau/Zettel) to **approve Resolution 22-06-02 *Authorization of Market Support Services Contract Extension with Customized Energy Solutions.*** Motion carried by a unanimous roll call vote (Absent: Commissioner Hauser).

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

E. Discussion and Preparation for September Strategic Planning Session.

Mr. Shetler noted that the meeting is currently anticipated to take place on Wednesday, September 28, with anticipated focus areas to include market activities in the West, transmission needs for the BANC footprint, a review of delegations of authority, and a review of the GM services agreement.

F. Member Updates.

Mr. Shetler stated that he would have limited availability next week. Commissioner Zettel announced that he had been named Electric Utility Director at Redding Electric Utility. Commissioner Beans announced the retirement of Alternate Commissioner Cummings. Commissioner Lau thanked the Commission in advance for their support during the approaching summer and some discussion followed.

The Commission adjourned at 2:55 p.m.

Minutes approved on July 27, 2022.

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 June 2022

Operations:

- BA Operations: Normal
- Significant BA Issues: None
- Declared BA Energy Emergency Alert Level (EEA): EEA0
- NWPP Reserve Energy Activations
 - 1 contingency requiring activation of NWPP
 - 172 MW average generation lost
 - 172 MW maximum generation lost
 - Generating unit(s) and date(s) affected: Cosumnes, 6/5/22
 - All recoveries within 11 minutes
- USF
 - 28 of 30 days with instances of USF mitigation procedure utilized
 - 20 days on Path 66
 - No operational impact on BANC
- BAAL Operation:
 - Maximum duration of BAAL exceedance: 3 Minutes
 - Number of BAAL exceedance >10 minutes: None
 - BAAL violation (BAAL exceedance >30 minutes): None
- Frequency Response (FR) Performance – Quarterly Metric:
 - 2022 Frequency Response Obligation (FRO): -19.0 MW/0.1Hz
 - Q1 Frequency Response Measure (FRM): -52.1 MW/0.1Hz
 - Q1 Number of Under-Performed Events: 0 out of 5

Monthly Notes:

- No additional notes or impacts for June 2022

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

PC Committee Chair Report

BANC Commission Meeting

July 2022

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.

- PRC-006-5 Underfrequency Load Shedding – The data received from PC Participants was compiled and submitted to the WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector on June 3rd. This data was combined with other WECC member inputs in the UFLSWG by the OFSPR and will be submitted to WECC on July 15th as part of the Southern Island Coordinated Plan (SILTP).
- PRC-023-4 Transmission Relay Loadability – Staff shared the draft report on June 24th with PC Participants for review, and comments were due on June 11th. The comments received will be incorporated into the final report which will be sent out by July 29th.
- FAC-014-2 System Operating Limits for the Planning Horizon– The preliminary results of the study were shared with PC Participants on July 8th. Comments on results are due by July 15th, and comments received will be processed and incorporated into the 2022 BANC PC FAC-014 SOLs draft report. The draft report will be submitted by August 5th for PC Participant review and comment.
- TPL-001-4 - Transmission System Planning Performance – Transient stability results are nearing completion for review. MID is working on a new short circuit study to send to the BANC PC; a time extension was granted to MID on the due date. The WAPA contingency study is currently underway. Comments on preliminary study results were due June 24th, and no comments were received. Proposed projects to mitigate identified criteria violations are due July 22nd.
- MOD-033-2 – Dynamic portion of study is complete. Data requests for the steady state data will be sent out in the latter half of the year.

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

	PC Standard	Estimated % Complete	Notes
1	FAC-002-3 Interconnection Studies	100%	There are no new projects in BANC PC Participant area for 2022 requiring FAC-002 assessments. The BANC PC Qualified Changes document has been finalized and distributed and posted on the BANC PC member site.
2	FAC-010-3 SOL Methodology for Planning Horizon	100%	The finalized version was sent to external stakeholders and BANC PC Participants on 12/28/2020.
3	FAC-014-2 Establish and Communicate SOLs	66%	The preliminary results of the study were shared with BANC PC Participants on 07/08/22. Comments on results are due by 07/15/22. Comments received will be processed and incorporated into the 2022 BANC PC FAC-014 SOLs draft report. The draft report will be submitted by 08/05/22 for BANC PC review and comment.
4	IRO-017-1 Outage Coordination	0%	Awaiting completion of TPL assessment by December to send out report.
5	MOD-031-2 Demand and Energy Data	100%	2022 Loads and Resources Parts One, Two, and Supplemental were completed and uploaded to the WECC EFT server.
6	MOD-032-1 Data for Power System Modeling & Analysis		Ongoing activity.
7	MOD-033-1 System Model Validation	60%	Dynamic portion of study is complete. Steady state data request will follow later this year.

	PC Standard	Estimated % Complete	Notes
8	PRC-006-5 Underfrequency Load Shedding	95%	The data received from BANC PC Participants was compiled and submitted to the WECC Off Frequency System & Protection Restoration Committee (OFSPR) data collector on 06/03/22. This data was combined with other WECC member inputs in the UFLSWG by the OFSPR and will be submitted to WECC on 07/15/22 as part of the Southern Island Coordinated Plan (SILTP).
9	PRC-010-2 Undervoltage Load Shedding	100%	Study has been completed. Report finalized on 12/30/2019.
10	PRC-012-2 Remedial Action Schemes	80%	New Standard to be effective on 01/01/2021. Study Plan finalized on 04/10/2020. Working on performing studies for each RAS scheme.
11	PRC-023-4 Transmission Relay Loadability	90%	The draft report was sent out to BANC PC Participants on 06/24/22 for review, and comments were due on 07/11/22. Comments received will be incorporated into the final report, which will be sent out by 07/29/22.
12	PRC-026-1 Relay Performance During Stable Power Swings	50%	The study plan was finalized and shared with BANC PC Participants on 05/13/22. The preliminary results of the study will be shared by 07/26/22.
13	TPL-001-4 Transmission System Planning Performance	70%	SMUD's transient stability analysis is nearing completion. Short circuit study for MID is being created to send to BANC PC

	PC Standard	Estimated % Complete	Notes
14	TPL-007-4 Transmission System Planned Performance for Geomagnetic Disturbance Events	90%	<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 is 07/01/2021.</p> <p>Ongoing, NERC has declared a GMD event (Kp>7) for reporting purpose. The GMD event duration was from 11/3 2021 3:00 pm to 11/4/2021 11:59 pm. 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>

Compliance Officer Report

BANC Commission Meeting

July 2022

The following summarizes 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.

BA Compliance Issues:

- No significant operational Balancing Authority compliance events occurred.
- All required BA compliance reports and operating data were submitted to WECC.
- Activities in support of the 2022 BANC/SMUD WECC Audit continue:
 - RSAW and evidence reviews were completed for all standards in scope and submitted to WECC by BANC/SMUD, along with other audit materials on June 23rd.
 - BANC/SMUD have consented to early Requests for Information (RFIs), which will allow WECC to start sending the first RFIs in advance of the on-site weeks. No RFIs have yet been received.
 - The CIP Level 2 RFI, received on June 8th, is in process and on track to meet the response due date of August 8th.
 - BANC/SMUD Subject Matter Experts (SMEs) are currently participating in audit interview training sessions, which are being conducted by Archer Energy Solutions. This will help prepare participants for WECC audit interviews, which are an integral part of the audit process.
 - The on-site portion of the audit is scheduled to take place the last two weeks of August 2022.
 - The WECC Audit Opening presentation is scheduled to take place on August 22nd from 9-10 a.m., and the closing presentation will be held on September 2nd at a time yet to be determined.

BANC MCRC:

- The next BANC MCRC meeting is scheduled to be held at 10:00 AM on Monday, June 27th via teleconference.

GM Report

BANC Commission Meeting

July 27, 2022

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. Based upon the group's discussions, we have agreed to 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 and to discuss potential summer heat wave impacts on EIM and EDAM design.

POU Western Markets Initiative

BANC continues to participate in this effort, which is being coordinated by APPA. The group has stepped back and is taking a less formal role with occasional update conference calls. The last call was on March 22, 2022.

Coronavirus Restrictions

With the recent lifting of restrictions, BANC has transitioned to using a hybrid meeting model, both for our own internal member meetings, as well as outside meetings. We anticipate that we will be moving to more in-person meetings over the next several months. In addition, the BANC BA Operator (SMUD) has instituted measures to reduce coronavirus risks, including stay at home for most employees with only essential staff working at the offices. The BANC Operator did start transitioning some senior staff back to the office in late March.

Market Initiatives:

EIM Participation

Staff continues monitoring EIM participation. CAISO quarterly benefit reports continue to show that BANC is seeing benefits from EIM participation, with the 1st

Quarter 2022 report showing gross benefits of \$15.58 million for BANC, with a total of \$191.41 million 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. This includes an evaluation of the EIM reserve account in anticipation of summer activities. The results of the evaluation were presented to both the EIM Committee and BANC Commission at their June meetings with a recommendation of no change to the reserve account.

EDAM Participation

The CAISO EDAM stakeholder process was relaunched in late 2021 with an initial working group formation meeting in December and kick-off detailed working group meetings in early January. The CAISO did wrap-up the work group meetings in late March and issued the initial straw proposal on April 28, 2022. The CAISO hosted a stakeholder meeting on the straw proposal from May 25-26, 2022, with stakeholder comments filed June 16, 2022, including BANC's. The CAISO proposed schedule is to have a final EDAM design ready for EIM Governing Body/CAISO Board of Governors review by December 2022, detailed implementation in 2023, and initial go live in 2024. With the completion of the work group efforts and the anticipation of an initial EDAM straw proposal in late April, BANC staff have completed EDAM training sessions for the BANC EIM participants as part of the routine EIM Committee meetings. These were held in March, April, and May. We plan to continue the extended meeting schedule as we work through review and comments on the CAISO EDAM proposal.

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 held stakeholder information sessions on November 17, 2021, and December 1, 2021, to explain their initial concepts. Their stakeholder work group meetings were initiated in January 2022 seeking input on a final design. BANC staff attended a stakeholder market design update meeting in Phoenix on March 29-30, 2022, and virtually monitored the design update on June 1-2, 2022, held in Denver. The next design update is scheduled for August 9-10, 2022, in Portland. Market design is still being developed but SPP is forecasting a final design by late 2022. They would be looking for participant commitments in early 2023 with implementation in 2023-2024 and a go live in 2025. Staff will continue to monitor this market option.
2. A group of Western utilities have formed a group called Western Market Exploratory Group (WMEG) with a stated purpose of identifying what a full market in the West should entail. They have hired a consultant to assist in

this effort. BANC has executed the necessary agreements to participate in the WMEG as authorized by the Commission at the May meeting. The WMEG has issued an RFP for a consultant to conduct a benefits analysis considering different future market options.

WAPA:

Market Engagement

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

WAPA-SNR and BANC continue to hold periodic calls with NCPA to help facilitate discussions on joint issues.

We have also held several discussions with WAPA-SNR, along with WAPA-DSW, on how staff could assist in their decision-making on EDAM participation.

San Luis Transmission Project

WAPA-SNR has announced its intent to work with the Bureau of Reclamation to construct the SLTP. The San Luis & Delta-Mendota Water Authority is moving forward with approving bonding authority to provide WAPA with funding for this project. We will keep the Commission informed as more information becomes available.

WECC

WECC Board Meetings

The last set of Board and committee meetings was held on June 14-15, 2022, which were virtual. WECC has indicated that they moved to a hybrid meeting format starting in May, which should allow for outside entities to attend meetings in person. The next set of Board and committee meetings are scheduled for early September in Las Vegas, NV, which will also be the annual members meeting.

WPP

Resource Adequacy Project

As agreed at the September 2021 meeting, BANC has informed WPP that it will not be participating in Phase 3 of 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 discussions with WPP regarding our ability to participate in the future. SPP has indicated that they intend to use the WRAP as the model of a Resource Adequacy program for “Markets +” development. However, an entity does not have to be a WRAP participant to join “Markets+” but does need to have an equivalent Resource Adequacy program.

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 Transition

As part of moving to a FERC approved tariff for the WRAP program, the WPP board will be transitioning from its current structure to a fully independent board. A nominating committee has been formed to assist in the selection of the new independent board members. The WPP members who are not in WRAP have been granted a seat on the nominating committee and the BANC General Manager was selected to fill that role. The nominating committee has held several meetings with a goal of having a slate of independent directors to present to the current board for approval by late this year. Outreach to potential candidates has been initiated with interviews of short-listed candidates expected by late summer.

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. With the Governor's announcement that the project will be downsized from two to one tunnel, CDWR has withdrawn the current applications and will be submitting revised environmental documentation. SMUD reported that CDWR has approached them regarding the revised environmental review and updated project schedule and SMUD is initiating updated studies.

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. The final, initial report was scheduled for submittal to the Legislature in early January 2021; however, it was delayed and not issued until 3/15/21. The CEC did reach out to the POU BAAs via CMUA in early March 2021 seeking more engagement with the BAAs for the next round of analysis for the SB100 effort. The POU BAAs are coordinating via CMUA on how to engage in this request. A subgroup of the POU BAAs, including BANC, participated in a Joint Agency SB100 workshop on June 2, 2021. We have also had several follow-up discussions with the Joint Agencies. Based upon recent discussions, the POU BAAs have hired a consultant via CMUA to assist in this effort. We are also working on concepts for a reliability analysis effort and providing current known interconnection queue information as well as forecast renewable resource procurement assumptions.

Western Electricity Industry Leaders (WEIL) Group

The WEIL CEOs last met on May 20, 2022, in Salt Lake City, UT. The next meeting of the WEIL group is being planned for October 28, 2022, in Portland, OR.

Strategic Initiatives

The 2021/2022 Strategic Initiatives updates are attached to this report.

BANC 2021/2022 Strategic Plan - Routine Initiatives July 2022 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	Revisit 3rd Qtr. 2022
3 Medium	OUTREACH	Engage in industry forums (WECC, Peak, NWPPA, etc.)	Jim Shetler	Ongoing	Attend RC West, WECC Board, WEIL, & NWPP Exec. Forum meetings
4 Medium		Coordinate with other POU BAs (Ca and regionally)	Jim Shetler	Ongoing	Coordinating with SCL/SRP/LA/TP/TID on EIM/EDAM & SB100
5 Medium		Outreach to regulatory and legislative bodies on key issues	Jim Shetler/BBSW	Ongoing as Necessary	Participating in WEIL group FERC staff update 5/9/22
6 Medium		More formal engagement with TID on BA/EIM/EDAM issues	Jim Shetler/BBSW	Ongoing	Continue periodic discussions on areas of collaboration
7 Medium	ASSETS	Evaluate establishing BANC criteria for RA resources	Resource Committee	4th Qtr. 2022	Executed contract with CES
8 Low	MEMBER SERVICES	Identify and outreach to potential new BANC members	Jim Shetler	Ongoing	

BANC 2021/2022 Strategic Plan - Focused Initiatives July 2022 Update

No./Priority	Focus Area	Initiative	Responsibility	Target Due Date	Status
9 High	INDEPENDENCE	Manage EIM Phase 2 Going Forward	Jim Shetler/SMUD	Ongoing	Manage Phase 2 operations including EIM, Tech Anal. & Settlements committees
10 High		EDAM evaluation effort ~ CAISO Stakeholder Process	Jim Shetler/BBSW	Late 2021 - 2022	Initial Straw Proposal Issued CAISO Wkshps. 7/11-27/22
		~ CAISO Tariff Development	Jim Shetler/BBSW	2022 - 2023	
11 Medium	OUTREACH	Evaluate opportunities to engage other entities in market development	Jim Shetler	Ongoing	Coordinating with SCL, SRP, LADWP, TID, & Tacoma
12 Medium		Regional Policy Issues: Monitor/ weigh-in where appropriate	Jim Shetler/Commission	Ongoing	Participating in WEIL effort on WIRED issues
13 High		Market Regionalization: ~Monitor ongoing discussions at WEIL & other venues	Jim Shetler/BBSW	4th Qtr. 2022	SPP Mkts+ Stkldr Mtgs Mar. 29-30, Jun 1-2, Aug 9-10
14 High		Coordinate with CA BAs on SB100 effort	Jim Shetler/BBSW	12/31/22	CEC issued report 3/15/21; Initiating coordination effort between CEC & BAAs
15 Medium	ASSETS	Evaluate resource criteria for BANC long-term needs ~ Issue solicitation for projects	Jim S./Res. Com.	4th Qtr. 2021	Continuing discussions with GSCE
16 Medium	MEMBER SERVICES	Evaluate possible support to participants for EIM operations	Jim S.	Ongoing	

Balancing Authority of Northern California

Agenda Item 5B

1. ***Resolution 22-07-02 Authorization of Amendment to Extend Utilicast Contract for Services Related to EDAM Gap Analysis.***

Braun Blaising & Wynne, P.C.

Attorneys at Law

07/18/21

To: BANC Commission

From: BANC Counsel

RE: Authorization of Amendment to Utilicast Contract for Extension of Services Related to EDAM Gap Analysis

Consistent with BANC's strategic planning discussions with the Commission, staff have been working to have the ability to bring forward a Day Ahead Market option for BANC participant consideration. As staff have also discussed with the Commission, we view the CAISO's Extended Day Ahead Market (EDAM) as the most likely option that would meet the BANC participants' needs. Based upon the CAISO's current schedule for EDAM development, staff believe that the option to participate in EDAM could be available for consideration late this year for implementation in 2023 with a spring 2024 go-live date. As part of informing BANC participants on the viability of the EDAM option, we also recognize the need to provide a reasonable cost estimate for implementation. As the Commission will recall, for consideration of EIM participation, Utilicast was engaged to perform a "gap analysis" of BANC capabilities.

We have contacted Utilicast to determine their ability and willingness to perform a BANC "gap analysis" with respect to transitioning from EIM to EDAM. Utilicast has provided a proposal for this work, which is included as "Attachment A" to this memorandum. This proposal focuses on a "gap analysis" for BANC, with a high-level look at individual BANC EIM participants. However, this is not a detailed evaluation of each BANC EIM participant. Staff has reviewed this proposal with the EIM Committee, including a discussion on the need, or not, for individual participant analyses. The EIM Committee has concurred with moving forward with this analysis for BANC while we continue to discuss the need and best options for individual participant evaluation.

The cost estimate for this proposal is \$51,600, and staff is requesting the addition of a 10% contingency for a total of \$56,760. This effort is budgeted as part of PA-4: EDAM and Other Market Evaluation under Consultant Support, Cost Evaluation, in the amount of \$25,000. However, there are sufficient budgeted dollars for other consultant support (\$50,000) that are not expected to be used, as well as contingency dollars (\$45,000) that can cover this effort without the need for a budget adjustment.

Therefore, staff is requesting that the Commission authorize the General Manager to execute an amendment to the existing Utilicast contract that will allow this work to proceed in accordance with the attached resolution.



July 5, 2022

Jim Shetler
General Manager
Balancing Authority of Northern California
P.O. Box 15830 / MS D109
Sacramento, CA 95852-1830

Dear Jim:

I understand that per your discussions with Jeff Fruit, BANC desires a CAISO Extended Day Ahead Market (EDAM) Gap Analysis. This letter details Utilicast's proposal to provide support of that desire. This Agreement is intended to describe the scope of work we propose to provide, and the costs associated with this engagement. If the scope, duration, and cost components of this letter are agreeable, Utilicast proposes to amend the existing Consulting Services Agreement (CSA) to provide these services.

With this letter, Utilicast is proposing to perform an EDAM Gap Analysis for BANC. Utilicast will review potential changes required to BANC's systems, processes, and staff to support this extended market functionality. The Gap Analysis will examine each key functional area of the CAISO's new EDAM offering to identify areas where BANC must bridge gaps between the current 'as is' state and the desired EDAM 'to be' state. Utilicast anticipates that the second revised straw proposal will provide adequate information for a Gap Assessment, however it is likely many technical details will remain to be worked out between the CAISO and EDAM Stakeholders. As possible, based on the available information, Utilicast will deliver an EDAM Gap Report which presents the functional areas Utilicast reviewed, the EDAM Gaps identified, and suggested tasks/approaches for closing the identified gaps. Additionally, a high-level EDAM Gap cost estimate, and an indicative EDAM Implementation Schedule will be provided. Across the deliverables, Utilicast will identify areas of uncertainty or provide ranges, as necessary.

BANC has suggested this EDAM Gap Analysis be completed in the August to September 2022 timeframe. Utilicast proposes to perform their gap analysis work, and deliver the EDAM Gap Analysis reports within this time period. There are two key drivers for this choice:

1. The CAISO is expected to produce the second revision of their EDAM Straw Proposal document in early August 2022. This document should provide the most current CAISO plans/requirements for EDAM. BANC desires to use this document to define the "to be" EDAM state for this Gap Analysis effort.
2. BANC seeks EDAM Implementation budgetary guidance for the 2023 strategic plan and budget. This EDAM input is required by the mid-September 2022; and could be accomplished via an early 'draft' of the full EDAM Gap Report.

Scope of Work:

Based on the ISO's current EDAM Straw Proposal document we believe the functional areas noted in the table below will be in scope. In concurrence with the BANC General Manager, Utilicast may add additional functional areas, or remove functional areas based on the contents of the next Straw Proposal document.

Functional Area	EDAM Gap Analysis Notes
Transmission OATT(s) and Counterparty Contracts	Incorporation of EDAM concepts.
Reliability Coordinator	Limited to functionality where RC data/processes intersect with EIM/EDAM processes and data submittal requirements.
Day Ahead Market	<ul style="list-style-type: none"> • DA Business Processes/Procedures • Day Ahead Schedule creation/submission • Day Ahead Generator Bid creation/submission • BA Self-Schedule (Interchange) Submissions • Day Ahead Load and VER Forecasts – become binding in EDAM. • Day Ahead Market timeline vs Gas Nomination timeline – evaluate potential impacts.
EDAM Transmission Contributions	<ul style="list-style-type: none"> • New EDAM Transmission Contribution business process(es). • Transmission path registration (if applicable). • Three Bucket Transmission Capacity Contribution Approach: strategy/creation/submission. • Impacts of OASIS “stop/start” for probable Bucket #3 approach. • Congestion Revenue Rights (CRR) processes (if applicable).
EDAM Resource Sufficiency Tests	<ul style="list-style-type: none"> • New EDAM Day Ahead Resource Sufficiency Tests; and develop BANC’s Day Ahead RS Test allocation strategy. • Impacts to current EIM RT Resource Sufficiency Tests; and impacts to BANC’s existing RS Test allocation approach. • Resource Adequacy Impacts
EDAM Imbalance Reserve Product	Evaluation of potential new EDAM Imbalance Reserve Products; and BANC participation in those products.
EIM Entity Desk Operations	<ul style="list-style-type: none"> • Day Ahead – new EDAM processes/procedures. • Real-time – confirm largely unchanged processes/procedures. • New EDAM impacts to Ops Transmission Desk (EDAM Transmission Contribution impacts)
EDAM Settlement Charge Codes and Settlement Allocation Methods	<ul style="list-style-type: none"> • New EDAM Settlement Charge Codes. • Potential impacts to existing EIM Settlement Charge Codes. • BANC Settlement Allocation method for each new EDAM charge.

Functional Area	EDAM Gap Analysis Notes
Reporting and Analysis	<ul style="list-style-type: none"> • P&L Reports - updates for inclusion of EDAM results. • EIM Benefits Analysis Reports - updates for inclusion of EDAM results. • EQR Reporting changes for EDAM (Expect this continues to be “not required” at BANC.) • EIM sourced GHG Reporting (Determine if this remains a non-impact at BANC under EDAM) • Other analytical reporting impacts
EDAM Implementation Project Gaps	<ul style="list-style-type: none"> • Program Management • New technical integrations • Software and process testing

Deliverables:

Utilicast proposes the following deliverables for this project:

1. An **EDAM Gap Report** which describes that ‘as-is’ and ‘to-be’ states across the functional areas noted in the table above. The report will suggest options for addressing the EDAM gaps.
2. An indicative, high-level **EDAM Project Schedule/Plan**. Using best information available from CAISO, and BANC’s EIM Implementation experience, Utilicast will develop a Project Schedule, and key Project Plan objectives, milestones, deliverables.
3. A **BANC EDAM Implementation Cost Estimate**. This will be in the form of a simple matrix, where costs are estimated per the functional areas outlined in the table above.
4. A **BANC EDAM Gap Report Review/True-up** to final ISO EDAM market design. The initial BANC EDAM Gap Analysis will be based on the ISO EDAM Straw Proposals produced in ~August 2022. BANC expects the ISO will issue further refinements of that EDAM Straw Proposal in the Fall 2022 period. Utilicast will review the Straw Proposal refinements against the original EDAM Gap Report to note any significant changes in scope, cost, or schedule. Forty (40) consulting hours are budgeted for this Gap true-up effort. If the ISO EDAM Straw Proposal is updated/amended significantly more than expected, Utilicast will work with the BANC General Manager to appropriately budget this effort.

Assumptions:

1. The CAISO EDAM Straw Proposal document is published on schedule in early August 2022. If the ISO’s publication schedule changes, Utilicast will work with BANC to determine the most appropriate alternative definition of the EDAM “to be” state; and/or adjust the work performance and deliverable schedule of this proposal.
2. Utilicast will largely rely on its previous BANC EIM and SMUD EIM project experience to support its understanding of the ‘as is’ state. BANC’s desired ‘to be’ states will be based on discussions with key BANC leaders. This is to say, Utilicast does not expect to conduct extensive staff interviews to define these states.
3. Utilicast understands that BANC desires to avoid vendor solution provider changes. Therefore, the gap closure actions will leverage extensions and updates to existing BANC and Member software systems as much as possible.
4. BANC BA will enter EDAM in its entirety – no ‘phased’ EDAM entry where a subset of BANC members enters in a first phase, and others in later phases.



5. The functional areas noted below appear to be unimpacted or very low impacted by EDAM. These will be quickly reviewed/analyzed, but likely excluded from broad gap analysis outcomes.
 - a. EIM Full Network Model
 - b. EIM Meter Data
 - c. EIM real-time timeline and processes
 - d. EIM real-time Operations
 - e. EIM Generator Dispatch
 - f. EIM real-time and 5-minute Load and VER Forecasts
 - g. Outage Management

Cost:

The cost estimate for the scope of work described above is presented in the table below. The estimated cost is for budgetary purposes. The BANC will only pay for time expended.

Task	Start	End	Total Hours	Rate	Total \$
BANC EDAM Gap Analysis including Cost and Schedule estimates	8/1/2022	9/30/2022	200	\$215/hr.	\$ 43,000
BANC EDAM Gap Analysis True-up	11/1/2023	12/31/2023	40	\$215/hr.	\$ 8,600
TOTAL					\$ 51,600

Travel Expenses: This work is expected to be conducted remotely with no travel to BANC sites required. Therefore no travel expenses are included in this cost estimate. If travel is required, travel expenses will be reimbursed as:

- Travel Expenses – Reimbursement at cost for lodging and mileage at the current federal mileage rate at the time of travel. If travel to/from outside the BANC region is required, reimbursement at cost of actual coach class air travel, and ground transportation (rental car, cab, ride-share, mileage) and parking.
- Meals & Incidentals – When traveling at BANC’s request, Consultant resources will be reimbursed the current US General Services Administration (GSA) Per Diem rate for Meals and Incidentals for the city in which work is performed.
- Receipts – Receipts will be provided for expenses over \$25 except for mileage and the Meals & Incidentals Per Diem, which will be at the current rates described above in lieu of receipts.

We want to thank you for inviting us to provide this information for the BANC EDAM Gap Analysis effort. We view the invitation as recognition of the contribution that our team members have made to the BANC’s success over the last 5 years. We appreciate your consideration. If you have any questions regarding our proposal, please contact me directly at (415) 378-4906.

Sincerely,

David Luedtke
Chief Executive Officer

**Balancing Authority of Northern California
Resolution 22-07-02**

**AUTHORIZATION OF AMENDMENT TO EXTEND UTILICAST CONTRACT FOR SERVICES
RELATED TO EDAM GAP ANALYSIS**

WHEREAS, the Balancing Authority of Northern California (“BANC”) was created by a Joint Powers Agreement (“JPA”) to, among other things, acquire, construct, maintain, operate, and finance Projects; and

WHEREAS, BANC previously entered into a contract with Utilicast to, among other things, assist certain BANC members and the Western Area Power Administration – Sierra Nevada Region (collectively, “EIM Participants”) with implementation of the California Independent System Operator (“CAISO”) Energy Imbalance Market (“EIM”), with BANC as the EIM Entity; and

WHEREAS, the Commission previously approved extensions of the Utilicast contract through September 30, 2022 to ensure ongoing support to BANC and EIM Participants; and

WHEREAS, in discussions with EIM Participants through the BANC EIM Committee, it is recognized that the CAISO’s Extended Day Ahead Market (“EDAM”) is the most likely option for a Day Ahead Market option that would meet the EIM Participants needs; and

WHEREAS, based on the CAISO’s current schedule for EDAM development, the option to participate in EDAM could be available for consideration later this year for implementation in 2023 with a spring 2024 go-live date; and

WHEREAS, it is recognized that there is a need to provide a reasonable cost estimate and an understanding of potential changes required to BANC’s systems, processes, and staff to support this implementation of this extended market functionality, which would be provided to EIM Participants through performance of a “gap analysis”; and

WHEREAS the addition of these services is accommodated in the current 2022 budget; and

WHEREAS the General Manager’s delegated contracting authority is limited to \$25,000;

NOW THEREFORE, BE IT RESOLVED that the Commissioners of the Balancing Authority of Northern California hereby authorize the General Manager to enter into an amended contract with Utilicast to include an EDAM gap analysis, in an amount not to exceed \$56,760, including 10% contingency, and to extend the contract through December 31, 2022.

**Balancing Authority of Northern California
Resolution 22-07-02**

PASSED AND ADOPTED by the Commissioners of the Balancing Authority of Northern California this 27th day of July 2022, by the following vote:

		Aye	No	Abstain	Absent
Modesto ID	James McFall				
City of Redding	Nick Zettel				
City of Roseville	Dan Beans				
City of Shasta Lake	James Takehara				
SMUD	Paul Lau				
TPUD	Paul Hauser				

James McFall
Chair

Attest by: C. Anthony Braun
Secretary