

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

September 19, 2018

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

Representatives Present:

Member Agency	Commissioner
Modesto Irrigation District	Greg Salyer, Chair
City of Redding	Nathon Aronson (non-voting) Bill Hughes (non-voting)
City of Roseville	Michelle Bertolino
Sacramento Municipal Utility District	Arlen Orchard
City of Shasta Lake	James Takehara
Trinity Public Utilities District	Paul Hauser

Agency	Liaison
Western Area Power Administration	Carl Dobbs

1. Call to Order: Chair Salyer called the meeting to order at 2:01 p.m.
2. Matters Subsequent to Posting the Agenda: Mr. Braun noted that administrative errors were identified in the minutes and requested that they be removed from the Consent Agenda and moved to the Regular Agenda as item 5A.
3. Public Comment: Chair Salyer invited comments from the public and none were given.
4. Consent Agenda: Mr. Hauser moved, Ms. Bertolino seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (B) BANC Operator's Reports for July and August; (C) Compliance Officer's Reports for August and September; (D) PC Committee Chair's Report for August and September; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items:
 - A. Mr. Braun noted that upon review of the July 25, 2018 minutes, Chair Salyer identified an error in references to the Chair of that meeting. Mr. McFall was identified as the Chair; however, those references were carried over from a prior meeting when, in fact, Mr. Salyer served as the Chair for the July 25th meeting. References to the meeting Chair in the following sections were revised to reflect the change: Representatives Present, agenda items 1 (Call to Order) and 3 (Public Comment). Mr. Hauser moved, Ms. Bertolino seconded, and the participating Commissioners unanimously approved the amended Minutes of the Commissioners of BANC dated July 25, 2018.
 - B. Mr. Braun provided historical context for the need to select a chair (typically done in August). Due to a prior chair leaving early, Mr. Salyer was appointed in July of 2017,

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which, should he be reappointed, would necessitate the Commission readdressing the chair appointment in June of 2019, rather than August, as the JPA requires that a chair not serve more than two consecutive one-year terms. Ms. Bertolino nominated Mr. Salyer. Mr. Orchard moved, Mr. Hauser seconded, and the participating Commissioners unanimously approved the appointment of Mr. Salyer as the Commission Chair.

- C. Mr. Shetler reported on the status of EIM Phase I, including the EMS upgrade, other software upgrades, tabletop exercises and operator training. The EIM Entity Agreement has been signed, and the CAISO has filed it with FERC; anticipating an October/November approval. Scheduling Coordinator requirements, including the financial security and collateral posting process, are being finalized. Suggestion is to set up separate EIM Entity account; working with SMUD/CAISO to get that set up. Routine project meetings with CAISO continue. EIM Phase I is on track for the planned April 3, 2019 go-live date.

Dialogue with CAISO continues with respect to the Phase II operational approach previously discussed. The cost allocation methodology will be formalized with the EIM Oversight Committee and brought back to the Commission for approval. For a Phase 2 go-live, a Phase 2 decision would be required in Q3 2019.

Discussions with TID continue, with the understanding that if TID decides to participate in EIM with BANC, they must do so as a BANC member. TID is discussing with their board and having internal discussions; no final decision has been reached.

With respect to EDAM, white papers are being finalized on Governance, Resource Sufficiency and Transmission. Assumptions for a cost/benefit analysis are being developed. Current timelines show that analysis being performed into the 2nd quarter of 2019, the CAISO stakeholder process to follow in 2019 into 2020, tariff development in 2020, FERC/state approvals in 2021, and a go-live date in late 2021/early 2022. With AB813 not passing, the attention to EDAM has increased. EIM Entities have been holding discussions. Ms. Bertolino asked for clarification on 'EIM Entities'; Mr. Shetler clarified that this included any entity that has signed an EIM Implementation Agreement.

- D. Mr. Shetler reviewed the 2018/19 Strategic Initiatives as provided in the Commission packet. Mr. Salyer asked about potential vendors for EDAM cost/benefit analysis. Mr. Shetler responded that E3 and The Brattle Group have been considered to-date. Mr. White asked whether the CAISO's plan was still to focus on a 15-minute market and then expand to EIM Entities. Mr. Shetler responded that improvements to the day-ahead market with respect to their existing footprint were still in process. Mr. Braun mentioned that a number of things still need to be worked out on day-ahead market enhancements as they relate to IOUs. Mr. Hauser asked about the firmness of the planned 7/1 RC transition date; current expectation is that the date will be met, with possible concerns regarding systems & volume related to the number of participants that have committed to CAISO for RC services. A brief discussion regarding the PEAK budget related to the transition followed.
- E. Mr. Shetler presented an overview of the 2019 Draft 2019 BANC Budget. Mr. Shetler posed a question to the Commission regarding the EIM Phase 2 budget and whether to attempt to include estimates for implementation in the 2019 budget or come back at a later time with a budget adjustment. Ms. Bertolino and Mr. Salyer commented that the second approach was preferred, and other Commissioners agreed. The 2019 Budget will be brought back to the Commission in November for approval.

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- F. Mr. Shetler provided an RC Services update. A BA-RC map produced by WECC was reviewed. Approximately 72% of the load in the west is committed to CAISO. An RC customer group has been set up to facilitate coordination under two tracks – Track 1 for RC-RC transition and Track 2 for Peak wind-down. CAISO has filed an RC Tariff with FERC, and BANC has communicated a desire to transition on 7/1/19 with CAISO participants; expecting WIRAB comments.
 - G. Mr. Braun gave a brief 2018 Legislative Review. AB813 was defeated, and EDAM has already been discussed. With regard to SB100, there are references to coordinated efforts by BA to work with their regulated agencies as far as understanding the achievability of 60% and the impacts on grid reliability, which is something to keep an eye on.
6. Closed Session:
- A. The Commission retired to closed session for conference with legal counsel – Performance evaluation of a public employee: General Manager, pursuant to subdivision (e) of Cal. Gov't Code § 54957.

After returning to open session, Mr. Braun reported that no action was taken in closed session.

The meeting was adjourned at 3:24 p.m.

Minutes approved on November 14, 2018.



C. Anthony Braun, Secretary