

GENERAL SESSION MINUTES EIM TRANSITIONAL COMMITTEE MEETING January 12, 2015 Hyatt Regency – Phoenix, AZ (MST)

January 12, 2015

The Energy Imbalance Market Transitional Committee, an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the EIM Transitional Committee were in attendance:

Rebecca Wagner, Chair
Steve Beuning
Tony Braun
Dede Hapner
Natalie Hocken
Travis Kavulla
Kevin Lynch
Mark Smith
Walter Spansel
Robert Weisenmiller
Carl Zichella

The following members of the ISO executive team were present: Steve Berberich, President and Chief Executive Officer, Peter Ristanovic, Vice President – Technology, Mark Rothleder, Vice President Market Quality and Renewable Integration, and Roger Collanton, Vice President, General Counsel, Chief Compliance Officer, and Corporate Secretary

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON MINUTES

Committee member Beuning moved for approval of the EIM Transitional Committee's general session minutes for the December 19, 2014 meeting. The motion was seconded by Committee member Kavulla and approved 11-0-0.

CHAIR REPORT

Chair Wagner provided an overview of committee activities and provided an overview of the roles and responsibilities of the following three recently established working groups:

Market design working group: Mark Smith (Lead), Stephen Beuning, Tony Braun, and Walter Spansel.

Stakeholder working group: Carl Zichella (lead), Tony Braun, Dede Hapner, Natalie Hocken, and Kevin Lynch

Straw proposal working group: Dede Hapner (lead), Travis Kavulla, Natalie Hocken, Bob Weisenmiller and Carl Zichella

She next provided the following calendar reminders: stakeholder comments due on the governance issue paper by January 26, 2015 and a target date of March 19, 2015 to post the straw proposal.

WORKING GROUP UPDATES

Committee member Smith, lead of the market design working group, provided an overview of recent activities pertaining to the year one enhancements stakeholder initiative. He stated that the Committee would be requesting a briefing from a member of the Market Surveillance Committee, an advisory committee to the ISO Board of Governors, on a few key technical issues in the near future. Committee member Smith also stated the working group will be reviewing the EIM Transitional Committee charter to see if it needs further definition on the scope and role of the EIM Transitional Committee with respect to providing its perspective on market design issues to the ISO Board or Governors.

Committee member Zichella, lead of the stakeholder working group, provided an update on recent activities of the working group and expressed appreciation to his fellow working group members and ISO staff in putting together the presentation for the stakeholder meeting held earlier in the day. He discussed next steps including the development of a matrix of stakeholder comments from the issue paper on governance and the preparation of responses.

Committee member Hapner, lead of the straw proposal working group, provided an update and noted the straw proposal working group was looking forward to receiving the stakeholder comments matrix as a key input into the development of a governance straw proposal. She noted that March 19, 2015 was the target date for posting the straw proposal for comment.

BRIEFING ON ENERGY IMBALANCE MARKET DEPLOYMENT

John Anders, Lead Counsel, provided an update on recent regulatory activities associated with the energy imbalance market orders, filings and stakeholder processes. Mr. Anders stated that the ISO filed a second EIM waiver request to cover the period from November 1 – 13, 2014 and noted that comments were due on January 21, 2015. He stated the ISO would be filing the following two tariff amendments as approved by the Board on January 5, 2015 and provided an overview of each filing: a twelve month transition period for all new EIM entities; and modifications to the EIM administrative charge. Mr. Anders stated that EIM year one enhancements remained on track for a Board decision in March 2015. He provided an overview of the primary issues discussed at a stakeholder meeting held on January 8, 2015. He concluded by reviewing the upcoming timeline associated with the year one enhancements initiative. Brief discussion followed regarding causes pricing excursions associated with the waiver filing.

Mark Rothleder, Vice President Market Quality and Renewable Integration, provided an update on the performance of the energy imbalance market and noted that pricing performance was stabilizing under marginal pricing. Mr. Rothleder noted the benefits assessment report was on track for the end of January. He described how bi-directional 15-minute transfers continued and that transfers from PacifiCorp to the ISO reduced during the period of California-Oregon Intertie (COI) north to south congestion. He next provided an overview of following four graphs that depicted: 15-minute price frequency in PacifiCorp East (PACE) and PacifiCorp West (PACW), 5-minute price frequency in PACE and PACW, a graph that showed how prices stabilized after November 14, and a graph that depicted 15-minute transfers between PacifiCorp and the ISO. Brief discussion followed regarding the impact on prices as a result of the waiver filing. Discussion ensued and Mr. Rothleder responded to various inquiries from committee members.

Petar Ristanovic, Vice President – Technology, provided an update on energy imbalance market operations and noted that the ISO was continuing to work with PacifiCorp on eliminating the main causes of supply infeasibilities resulting in price excursions. He noted the ISO was performing a daily review of infeasible conditions. Mr. Ristanovic provided an overview of a graph that depicted the frequency of 15-minute and 5-minute intervals with megawatt undersupply infeasibilities. He next reviewed a listing of main causes for megawatt undersupply infeasibilities. Mr. Ristanovic provided an overview of activities underway to improve post go-live of the

energy balance market. He described how work was underway to continue to enhance training in targeted areas. Discussion followed regarding outstanding issues and lessons learned and Mr. Ristanovic and Mr. Rothleder responded to various questions from committee members.

Mr. Ristanovic next provided a status up on NV Energy's participation in the energy imbalance market and noted that they have made steady progress towards implementation. He noted that a successful training session was held with NV Energy in Las Vegas on December 15, 2014. He stated that NV Energy will go through certification for the EIM Entity scheduling coordinator in January 2015. Mr. Ristanovic provided an overview of the NV Energy implementation schedule and stated that parallel operations were on track for September 1, 2015 with go-live on October 1, 2015.

FUTURE AGENDA ITEMS

Discussion ensued regarding the following potential future agenda items: Briefing by Elliot Mainzer, with Bonneville Power Administration on the security constrained economic dispatch (SCED) initiative underway at the Northwest Power Pool, and an update from ISO management on the Enhanced Curtailment Calculator tool being developed by Peak Reliability. Mr. Rothleder confirmed there would be standing reports on the energy imbalance market benefits data.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 2:15 p.m.