

**GENERAL SESSION MINUTES  
BOARD OF GOVERNORS MEETING  
November 14, 2018  
ISO Headquarters  
Folsom, California**

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**November 14, 2018**

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 ISO Board of Governors were in attendance:

Dave Olsen, Chair  
Angelina Galiteva, Vice Chair  
Ash Bhagwat  
Mark Ferron

The following members of the executive team were present: Steve Berberich, Keith Casey, Petar Ristanovic, Roger Collanton, Stacey Crowley, Tom Doughty, Mark Rothleder, Ryan Seghesio, Eric Schmitt, and Jodi Ziemathis

**GENERAL SESSION**

The following agenda items were discussed in general session:

**PUBLIC COMMENT**

There was no public comment offered at this time.

**DECISION ON GENERAL SESSION MINUTES**

Governor Galiteva moved for approval of the Board of Governors general session minutes for the September 5, 2018 meeting. The motion was seconded by Governor Olsen and approved 4-0.

**CEO REPORT**

Steve Berberich, President and Chief Executive Officer, provided an overview of the following sections of his report: overall system conditions, reliability coordinator services,

2018 ISO symposium, energy imbalance market benefits, and updated numbers for renewable energy production.

## **DECISION ON INTERCONNECTION PROCESS ENHANCEMENTS**

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, acknowledged receipt of a public comment letter from Nextera Energy and noted it had been provided to the Board.

Steve Rutty, Director – Grid Assets, provided an overview of Management’s interconnection process enhancements proposal. Mr. Rutty described how the interconnection process enhancement stakeholder initiative was comprised of multiple tracks, with track 4 decision by the Board to occur in February 2019. Mr. Rutty provided an overview of the following track 3 proposed enhancements, along with stakeholder feedback, that were before the Board for decision at this meeting: (1) revise ride-through requirements for inverter-based generation, (2) revise the reliability network upgrade reimbursement cap, and (3) define and memorialize the concept of an affected participating transmission owner. Discussion followed and the Board noted the importance of NERC’s recommendations in its May 2018 Advisory that addressed fault ride-through and timely restoration of inverter-based resources. Mr. Rutty concluded his presentation by reviewing the benefits of the proposed enhancements. Brief discussion followed.

There was no additional public comment on this item.

### **Motion**

**Governor Bhagwat:**

***Moved, that the ISO Board of Governors approves the proposed interconnection process enhancements, as described in the memorandum dated November 7, 2018; and***

***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.***

**The motion was seconded by Governor Galiteva and approved 4-0.**

## **BRIEFING ON DAY-AHEAD MARKET ENHANCEMENTS**

Don Tretheway, Senior Advisor – Market Design Policy, and Khaled Abdul-Rahman, Executive Director – Technology, provided an update on the ISO’s day-ahead market enhancements proposal. Mr. Tretheway described how enhancements to the day-

ahead market would position the fleet to better respond to real-time imbalances. He informed the Board that the day-ahead market enhancement initiative was split into the following two phases in response to stakeholder comments: Phase 1, 15-minute granularity (hybrid EIM decisional classification), and Phase 2 – day-ahead flexible ramping product (advisory EIM decisional classification). He provided an overview of the operational benefits and technical challenges associated with Phase 1.

Mr. Tretheway discussed changes to the design elements and stated that all hourly rules would be moving to 15-minute granularity. He described how the corresponding design changes to the EIM would align ISO's day-ahead schedule and the EIM base schedule. He stated that stakeholders supported moving to a 15-minute day-ahead market. He reviewed the upcoming schedule for the initiative and provided highlights of the benefits of Phase 1. Mr. Abdul-Rahman concluded the presentation by reviewing potential approaches to solutions. Brief discussion followed regarding the timeline for the initiative.

### **BRIEFING ON WESTERN ENERGY IMBALANCE MARKET AND BENEFITS**

Mark Rothleder, Vice President – Market Quality & Renewable Integration, provided the Board an update on the western EIM market and benefits report as well as an update on EIM future entity implementations. Mr. Rothleder informed the Board that the gross economic benefits since the start of EIM had reached \$502.31 million. He provided an overview of graphs that depicted flexible ramping procurement diversity savings for Q3 2018 and weekly average prices in the EIM areas. He discussed the estimated wheel-through transfers for Q3 2018 and described how the EIM helps avoid curtailment. He concluded his presentation by reviewing a graph that depicted robust energy transfers in Q3. Brief discussion followed.

### **RELIABILITY COORDINATOR SERVICES UPDATE**

Phil Pettingill, Director – Regional Integration, provided an overview of a map that depicted the status of the western interconnection reliability coordinator transition. Mr. Pettingill provided an overview of the ISO's reliability coordinator implementation timeline that reflected July 1, 2019 (reliability coordinator of record – 1<sup>st</sup> phase) and November 1, 2019 (reliability coordinator of record – 2<sup>nd</sup> phase). He provided an overview of the ISO's Reliability Coordinator Steering Committee's membership and responsibilities. Mr. Pettingill stated that the ISO's reliability coordinator transition was in progress and described how the schedule included a certification process with WECC, shadow operations and start up. Brief discussion followed, and Mr. Berberich informed the Board that FERC had issued a clean order so work could now begin on putting the contracts together.

### **BRIEFING ON DAY-AHEAD LOAD FORECASTING ANALYSIS**

Amber Motley, Manager – Short Term Forecasting, provided the Board an update on the day-ahead load forecasting analysis and stated that load forecast accuracy

improved 10% in 2018. Ms. Motley described how the analysis of load forecast error looked at the following: effect of behind the meter resource production, underlying temperature, regional forecast granularity, machine learning model tuning parameter, and manual adjustments. She described how the hourly error increases in the middle of the day due to effects of increasing behind the meter production on mid-day load. Ms. Motley reviewed graphs that depicted how the ISO's forecasts are driven by cloud cover during Q1, Q2 and Q4. She provided an overview of the conclusions of the analysis including that new forecast techniques were needed to support the magnitude and changes to behind-the-meter resource capacity. She concluded her presentation by providing an overview of next steps. Brief discussion followed regarding data gathering.

## **DECISION TO MODIFY BOARD COMPENSATION**

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, provided an overview of Management's proposal to increase the overall compensation for the Board. Brief discussion followed.

### **Motion**

**Governor Ferron:**

***Moved, that in accordance with Article III, Section 16 of the bylaws, the ISO Board of Governors hereby modifies the compensation to Board members for their service to the California ISO, effective January 1, 2019 as follows:***

- ***The standard annual retainer paid to a Governor shall be \$40,000, paid in accrued quarterly installments, commencing with payment for the accrued quarterly installment for the 1<sup>st</sup> quarter of 2019;***
- ***A fee of \$1,000 shall be paid for each day of participation at a noticed in-person Board meeting, and a fee of \$500 shall be paid for each day of participation in a noticed teleconference Board meeting;***
- ***A fee of \$1,000 for each meeting day shall be paid for time spent preparing for a noticed in-person Board meeting, and a fee of \$500 for each meeting day shall be paid for time spent preparing for a noticed teleconference Board meeting;***
- ***A fee of \$1,000 shall be paid for each day of participation at a noticed in-person Board Committee meeting, and a fee of \$500 shall be paid for each day of participation in a noticed teleconference Board Committee meeting;***
- ***A fee of \$1,000 for each meeting day shall be paid for time spent preparing for a noticed in-person Board Committee meeting, and a fee of \$500 for each meeting day shall be paid for time spent preparing for a noticed teleconference Board Committee meeting;***
- ***Governors who are not also Committee members will not be compensated for optional attendance at a Committee meeting;***

- ***A fee of \$1,000 shall be paid for each day of in-person participation at ISO-sponsored stakeholder events where the Chief Executive Officer specifically requests Governor attendance;***
- ***A fee of \$1,000 shall be paid to new Governors for participation in each day of the ISO's Board member orientation process;***
- ***Reasonable expenses associated with in-person or teleconference meetings shall be reimbursed;***
- ***Governors who attend meetings or events as representatives of the Board, including ISO/RTO Council meetings and other electric utility or power industry meetings, at the request of the Chair or ISO Management in consultation with the Chair, are not eligible for compensation but shall be eligible for reimbursement of reasonable expenses, as deemed appropriate and approved by the Chair of the Board;***
- ***Governors shall be eligible for conference fees and reasonable expenses associated with seminars, training and conferences related to corporate governance or best practices for Governing Boards, deemed appropriate and approved by the Chair of the Board; and***
- ***Reimbursements for reasonable expenses, as set forth above, shall be in compliance with the ISO Travel Policy for Governors.***

The motion was seconded by Governor Bhagwat and approved 4-0.

## **INFORMATIONAL REPORTS**

There were no comments or questions on the following informational reports: business practice manual change management report, market performance report, Market Surveillance Committee update, master stakeholder engagement and release plans, regulatory report, state, regional and federal affairs update, update on results of reliability must-run contract extensions for 2019, and the quarterly financial report.

## **FUTURE AGENDA ITEMS**

There were no items to discuss.

## **ADJOURNED**

There being no additional general session matters to discuss, the session was adjourned at approximately 2:45 p.m.