

GENERAL SESSION MINUTES BOARD OF GOVERNORS MEETING November 18, 2020 Teleconference

November 18, 2020

The ISO Board of Governors convened the general session meeting at approximately 2:40 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the ISO Board of Governors were in attendance via teleconference:

Angelina Galiteva, Chair
Ash Bhagwat, Vice Chair
Severin Borenstein
Mary Leslie
Dave Olsen

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, acknowledged receipt of a public comment letter from the EIM Entities.

The following members of the public provided comment:

Sergio Duenas on behalf of California Energy Storage Alliance
Dave Rubin on behalf of Nevada Energy

DECISION ON THE GENERAL SESSION MINUTES

Governor Galiteva moved for approval of the Board of Governors general session minutes for the October 1, 2020 meeting. The motion was seconded by Governor Bhagwat and approved 5-0.

CEO REPORT

Elliot Mainzer, President and CEO, provided highlights of the following sections of his CEO report: ISO's coronavirus response, overall balancing area system conditions, RC West operations, root cause analysis and resource adequacy enhancements, executive

retirements and organizational redesign, EIM Governance Review Committee, Western EIM benefits, and stakeholder outreach. Next, Mr. Mainzer and the Board provided remarks in appreciation to Governor Olsen and Mr. Mainzer read the following resolution:

Governor Galiteva:

WHEREAS, David Olsen, was appointed to the Board of Governors of the California Independent System Operator Corporation in April 2012 and provided guidance, strategic insight, leadership and wisdom to the Board and management team; and

WHEREAS, Mr. Olsen has devoted his energy career, spanning over several decades, as a leader in renewable energy policy and practices and sustainability practices; and

WHEREAS, Mr. Olsen, amongst his numerous accomplishments, is the former President and CEO of Patagonia, Inc., a pioneer of sustainability practices in commerce. Previously, he led the development of wind, solar, hydro and geothermal power projects in more than 20 countries, as President of Clipper Windpower Development, President of Peak Power Corporation, President / CEO of Northern Power Systems, and Vice President of Magma Power Company. In 2000, Mr. Olsen led the creation of the California Climate Action Registry, the first state registry of greenhouse gases. From 2003 through 2013, Mr. Olsen served as Managing Director of Western Grid Group, an organization of former western state energy officials advocating for the modernization and transition to a clean energy economy, and creation of an Energy Imbalance Market in the western United States; and

WHEREAS, Mr. Olsen's leadership and guidance as a member and Chair of the ISO Board of Governors, and his service on the Board Audit Committee, significantly shaped and developed the ISO, including the successful development and growth of the Western Energy Imbalance Market and the successful transition of the ISO to serve as the Reliability Coordinator for the majority of the western interconnection; and

WHEREAS, Mr. Olsen, called upon his many years of experience, insight, keen intellect and passion for sustainability to help shape and support the ISO through rapid industry transformation; and

WHEREAS, Mr. Olsen was instrumental in guiding the ISO through a significant organizational transition with the hiring of a new Chief Executive Officer in 2020; and

WHEREAS, Mr. Olsen has proven to be a valued and collegial member of the Board, whose thoughtfulness, insight, keen intellect and personal charisma

have been greatly appreciated and will be missed by his fellow Board members, Management and staff at the California ISO;

BE IT RESOLVED, that the California ISO Board of Governors hereby expresses its utmost appreciation and sincerest gratitude to Mr. Olsen for his dedicated years of service to the ISO, its stakeholders, and the consumers of California.

The resolution was seconded by Governor Borenstein and approved 5-0.

EIM GOVERNING BODY CHAIR REPORT

John Prescott, Chair of the EIM Governing Body, provided highlights of the EIM Governing Body's November 4 meeting that included routine briefings from the EIM Governance Review Committee, the Body of State Regulators and the Regional Issues Forum. Mr. Prescott stated the EIM Governing Body also voted to provide advisory opinions in support of following proposals by ISO Management: hybrid resources phase 2 proposal and variable operations and maintenance cost review proposal. Mr. Prescott also stated the EIM Governing Body voted to approve, under its hybrid authority, Management's pseudo ties of shared resources proposal.

EIM GOVERNANCE REVIEW COMMITTEE CHAIR REPORT

Therese Hampton, Executive Director – Public Generating Pool, and Chair – EIM Governance Review Committee, provided an update on behalf of the GRC. Ms. Hampton summarized the GRC's recent activities provided an overview of the general session meetings that occurred on September 15 and October 28, 2020. She stated the following three working groups were established: delegation of authority, stakeholder engagement, and other issues. She stated the revised proposal was on track for posting in Q4 2020. Brief discussion followed.

DECISION ON HYBRID RESOURCES PHASE 2 PROPOSAL

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the Board an overview of Management's hybrid resources phase 2 proposal noting it included two different models for generation with different technology types at the same location. Mr. Cook described how the proposal provided enhanced market rules for hybrid resources and additional provisions for co-located resources. He stated the proposal falls under the EIM Governing Body's advisory role. Mr. Cook provided an overview of the various elements of the proposal and noted it was largely supported by stakeholders. Brief discussion followed.

Department of Market Monitoring comment

Ryan Kurlinski, Manager – Analysis and Mitigation, provided an overview of the comments submitted by the Department of Market Monitoring as part of the stakeholder initiative.

Public comment

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, acknowledged receipt of public comment letters from: EDF-Renewables, American Wind Energy Association, and Large-Scale Solar Association

The following members of the public provided comments on Management's proposal:

Susan Schneider on behalf of Large-Scale Solar Association

Evan Berman on behalf of EDF-Renewables

Motion**Governor Bhagwat:**

Moved, that the ISO Board of Governors approves the tariff revisions necessary to implement the proposal for hybrid resources as described in the memorandum dated November 11, 2020; 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 proposed deliverability methodology revisions, 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 Leslie and approved 5-0.

DECISION ON PSEUDO-TIES OF SHARED RESOURCES PROPOSAL

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the Board an overview of Management's pseudo-ties of shared resources proposal. Mr. Cook described how new provisions were needed to accommodate EIM entities with a share of a resource that serves load in the CAISO balancing authority area. He provided an overview of the two key provisions that facilitate the pseudo-tie of shared resources to the CAISO balancing authority area. He stated the proposal falls under the EIM Governing Body's hybrid decisional role. Mr. Cook stated that stakeholders were supportive of the proposal and concluded by reviewing the benefits of the proposal. Brief discussion followed.

Department of Market Monitoring comment

Ryan Kurlinski, Manager – Analysis and Mitigation, provided an overview of the comments submitted by the Department of Market Monitoring as part of the stakeholder initiative.

Public comment

The following members of the public provided comments on Management's proposal:

Bob (Mahlowitz), Deputy City Attorney, Los Angeles

Motion

Governor Olsen:

Moved, that the ISO Board of Governors approves the proposal for pseudo-ties of shared resources described in the memorandum dated November 11, 2020; 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 described in the memorandum, 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 Leslie and approved 5-0.

DECISION ON VARIABLE OPERATIONS AND MAINTENANCE COST REVIEW PROPOSAL

Guillermo Bautista Alderete, Director – Market Analysis and Forecasting, provided the Board an overview of Management's variable operations and maintenance cost review proposal. He provided an overview of the two components of the proposal and stated the EIM Governing Body's voted to support the proposal in its advisory role. He described how the initiative proposed guiding principles that clarify the cost components. He stated stakeholders were broadly supportive of the proposal with some caveats. He concluded by reviewing the benefits of the proposal. Brief discussion followed.

Department of Market Monitoring comment

Eric Hildebrandt, Executive Director – Market Monitoring, provided an overview of the comments submitted by the Department of Market Monitoring as part of the stakeholder initiative.

Public comment

There was no public comment on this item.

Motion

Governor Borenstein:

Moved, that the ISO Board of Governors approves the tariff revisions necessary to implement the variable operations and maintenance cost review proposal items as described in the memorandum dated November 11, 2020; and

Moved, that the ISO Board authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal described in the memorandum, 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 Member Galiteva and approved 5-0.

INFORMATIONAL REPORTS

There were no comments on the following informational reports: regulatory report, state, regional and federal affairs update, business practice manual change management report, Department of Market Monitoring update, Market Surveillance Committee update, market initiatives update, market performance update, update on results of reliability must-run contract extensions for 2021, and Western Energy Imbalance Market benefits update.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 4:30 p.m.