

GENERAL SESSION MINUTES

ISO BOARD OF GOVERNORS MEETING

September 21, 2023

Teleconference

September 21, 2023

The ISO Board of Governors convened the general session meeting at approximately 10:00 a.m. and the presence of a quorum was established.

ATTENDANCE

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

Mary Leslie, Chair
Jan Schori, Vice Chair
Severin Borenstein
Joseph Eto
Angelina Galiteva

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON THE GENERAL SESSION MINUTES

Vice Chair Schori moved for approval of the ISO Board of Governors general session minutes for the July 20, 2023, meeting. The motion was seconded by Governor Galiteva and approved 5-0.

CEO REPORT

Elliot Mainzer - President and CEO, started by congratulating Angelina Galiteva for receiving Senate confirmation to serve a fifth term on the ISO Board of Governors. Next, Mr. Mainzer provided highlights from his CEO report, which included updates on the following: summer operations and the July energy emergency alert events; EDAM activities, including an update on the tariff filing and highlights from the August 29 EDAM Forum; interconnection process enhancements track 2 initiative working group activities; technical bulletin regarding ISO preparations for the October 14, 2023, solar eclipse; and key takeaways from the Q2 2023 WEIM benefits and market report.

WEIM GOVERNING BODY CHAIR REPORT

Andrew Campbell – Chair of the WEIM Governing Body, provided highlights of the following topics discussed during the September 19, 2023, WEIM Governing Body general session meeting: updates from the Chairs of the Regional Issues Forum and Body of State Regulators related to recent activities; briefing on the Q2 2023 WEIM benefits and market report; briefing on policy initiative activities and the WEIM Governing Body planning calendar. Chair Campbell concluded his update by noting the EDAM ISO BAA decisional item before the Board is an important step forward for the EDAM.

DECISION ON EXTENDED DAY-AHEAD MARKET ISO BALANCING AUTHORITY AREA PARTICIPATION RULES

Danny Johnson – Market Design Sector Manager, presented Management’s proposal for the extended day-ahead market (EDAM) ISO balancing authority area (BAA) participation rules initiative. Mr. Johnson first discussed the objective of the initiative and then reviewed the details of the proposed rules for participation requirements, which included the following: settlement of transfers resulting from the EDAM optimization as well as transfer revenue that accrues from congestion between participating BAs; allocation of historical transmission revenue recovered amounts; settlement for revenues and surcharges associated with the EDAM resource sufficiency evaluation; and the ISO BA’s use of the EDAM net-export constraint. Mr. Johnson concluded by noting that stakeholders largely supported the proposed ruleset. Discussion ensued.

Ryan Kurlinski - Senior Manager, Market and Policy Analysis, provided comments on behalf of the Department of Market Monitoring noting their support for the proposal.

Public Comment

The following provided comments on the proposal:

- Jeff Nelson on behalf of Southern California Edison
- Kallie Wells on behalf of Western Power Trading Forum
- Lauren Carr on behalf of California Community Choice Association
- Scott Ranzal on behalf of Pacific Gas and Electric

Motion:

Vice Chair Schori:

Moved, that the ISO Board of Governors approve the four recommended sets of rules to govern the ISO balancing authority area’s participation in the extended day-ahead market as described in the memorandum dated September 13, 2023; and

Moved, that the ISO Board of Governors authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the changes proposed in this 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 Borenstein and approved 5-0.

DECISION ON CAPACITY PROCUREMENT MECHANISM ENHANCEMENTS TRACK 2

Partha Malvadkar – Principal Resource Adequacy, presented Management’s proposal for the capacity procurement mechanism (CPM) enhancements track 2 initiative. Mr. Malvadkar first noted the tariff requirement to examine the CPM soft offer cap through a stakeholder process every four years to determine if changes are needed. Next, Mr. Malvadkar provided background on the CPM process and explained the purpose of the soft offer cap. He then noted Management’s recommendation to increase the soft offer cap from \$6.31/kW-month to \$7.34/kW-month and provided the rationale for the proposed increase. Mr. Malvadkar concluded by stating that the ISO intends to consider more holistic changes to the soft offer cap within the upcoming resource adequacy initiative. Discussion ensued.

Eric Hildebrandt – Executive Director, Market Monitoring, provided an overview of DMM’s comments noting they support Management’s proposal.

Public Comment

No public comment was offered at this time.

Motion:

Governor Galiteva:

Moved, that the ISO Board of Governors approve the revision to the capacity procurement mechanism soft offer cap as described in the memorandum dated September 13, 2023; and

Moved, that the ISO Board of Governors authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the change proposed in this 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 Eto and approved 5-0.

DECISION ON CONDITIONAL APPROVAL TO EXTEND RELIABILITY MUST-RUN CONTRACTS

Jeff Billinton – Director, Transmission Planning Infrastructure, presented Management’s request for conditional approval to extend certain reliability must-run (RMR) contracts

for 2024. Mr. Billinton first provided background on RMR designations and the process to determine if contracts needed to be extended. He then reviewed Management's recommendation to extend contracts for Oakland 1 & 3 (Dynergy Oakland, LLC) and Greenleaf II Cogen (Starwood Energy Group) and the rationale for the extension request. Mr. Billinton concluded by noting the steps following the conditional approval of the extensions, which is to track status of the contracts through the end of September 2023 and report back results of the extensions at the November 2023 ISO Board of Governors meeting. Discussion ensued.

Public Comment

No public comment was offered at this time.

Motion:

Vice Chair Schori:

Moved, that the ISO Board of Governors authorizes Management to extend reliability must-run contracts for the Dynergy Oakland, LLC generating units listed on Attachment 1 of the memorandum dated September 13, 2023, and consistent with the criteria described therein.

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

INFORMATIONAL REPORTS

There were no comments on the informational reports.

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 11:45 a.m.