

GENERAL SESSION MINUTES ISO BOARD OF GOVERNORS MEETING December 15, 2022 Teleconference

December 15, 2022

The ISO Board of Governors convened the general session meeting at approximately 2:00 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:

Ashutosh Bhagwat, Chair
Mary Leslie, Vice Chair
Severin Borenstein
Angelina Galiteva
Jan Schori

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

Governor Borenstein moved for approval of the ISO Board of Governors general session minutes for the October 27, 2022, meeting. The motion was seconded by Governor Schori and approved 5-0.

CEO REPORT

Elliot Mainzer – President and CEO, provided highlights of the following sections of his CEO report: summer heat wave analysis; winter readiness and energy prices; ISO Stakeholder Symposium highlights; update on the extended-day ahead market (EDAM) design; the EDAM benefits study; update on the WEIM Governance Review Committee EDAM governance proposal; implementation timing change for hybrid resources phase 2B and flexible ramping product improvements projects; update on the Assembly Concurrent Resolution 188 report; achievement of \$526.5 million in WEIM benefits during Q3 2022; and ISO's participation in the Climate READi initiative.

WEIM GOVERNING BODY CHAIR REPORT

Robert Kondziolka – Chair of the WEIM Governing Body, provided highlights on the

following topics discussed during the December 13, 2022, WEIM Governing Body general session meeting: ISO's CEO update; update from the Chairs of the Body of State Regulators and the Regional Issues Forum on activities that have occurred since their last report to the WEIM Governing Body; nomination of WEIM Governing Body member Andrew Campbell to serve as a representative on the WEIM Governing Body Nominating Committee; briefing on the WEIM quarterly benefits report for Q3 2022; briefing from the WEIM Governing Body market expert, Susan Pope, regarding her opinion on the resource sufficiency evaluation enhancements phase 2 draft final proposal; process improvements for communicating the WEIM Governing Body market expert opinions to the ISO Board of Governors and stakeholders; and an overview of the key decisional and briefing items included on the WEIM Governing Body planning calendar.

DECISION ON PARTICIPATING TRANSMISSION OWNER APPLICATION (TRANSWEST EXPRESS)

Debi Le Vine – Director, Infrastructure Contracts and Management, provided an overview of Management's proposal on the participating transmission owner (PTO) application for TransWest Express. Ms. Le Vine first presented a map showing the expansion of the ISO's balancing authority area with the addition of TransWest Express. Ms. Le Vine then reviewed the process for submitting a Transmission Control Agreement (TCA) to become a participating transmission owner followed by the ISO's request to seek conditional approval of TransWest's PTO application. Ms. Le Vine concluded her presentation by noting that the ISO will be developing a protocol as an amendment to the TCA to support a new subscriber PTO model needed to support ISO operational control of the TransWest project, which will be vetted with stakeholders in a separate initiative. Discussion ensued.

Public Comment

The following provided public comment:

Roxanne Perruso on behalf of TransWest Express

Motion:

Chair Bhagwat:

Moved, that the ISO Board of Governors approve the ISO's acceptance of the application of TransWest Express, LLC for Participating Transmission Owner status, conditioned on (1) TransWest Express, LLC executing the Transmission Control Agreement and (2) the Federal Energy Regulatory Commission's acceptance of a Transmission Owner Tariff, as set forth in the memorandum dated December 7, 2022.

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

DECISION ON 2023 BUDGET

April Gordon – Director of Financial Planning and Procurement, provided an overview of Management's proposed 2023 budget. Ms. Gordon first provided highlights of the 2023 grid

management charge (GMC) revenue requirement noting an increase of \$0.1 million from the draft revenue requirement. She stated the O&M budget increased by \$27.7 million primarily due to higher labor costs and funding for 52 new positions.

Next, Ms. Gordon stated that \$21 million will be collected for capital; however, \$25 million has been budgeted for projects needed to enhance the market, operations, and technology as well as other capital projects. She said that the additional \$4 million will be leveraged from capital reserves. Ms. Gordon highlighted other costs and revenues noting an increase of \$57.6 million in revenue primarily due to a higher Reliability Coordinator funding requirement and new WEIM customers.

Next, Ms. Gordon noted that the operating cost reserve adjustment decreased by \$16.8 million primarily due to favorable collections and spend results in 2021. Ms. Gordon reviewed a summary of grid management charges and supplemental service rates, which all show increases due to the higher revenue requirement. Ms. Gordon concluded her presentation with a review of the next steps in the budget process.

Public Comment

There was no public comment offered at this time.

Motion:

Governor Borenstein:

Moved, that the ISO Board of Governors approves the 2023 GMC revenue requirement, capital/project budget, and resulting rates as set forth in Attachment A to the memorandum dated December 7, 2022.

The motion was seconded by Vice Chair Leslie and approved 5-0.

ANNUAL ELECTION OF ISO BOARD OF GOVERNORS CHAIR AND VICE CHAIR

Roger Collanton – Vice President, General Counsel and Chief Compliance Officer, requested a nomination for a new Chair of the ISO Board of Governors. Governor Bhagwat nominated Governor Leslie to serve as the next Chair.

Motion:

Governor Bhagwat:

Moved, that the ISO Board of Governors elects Governor Mary Leslie to serve as Chair of the ISO Board of Governors, pursuant to Article III, section 4.3 of the ISO's bylaws, effective January 1, 2023 to December 31, 2023, or until a successor is elected, which shall be as soon as practical thereafter.

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

Next, Mr. Collanton asked the ISO Board of Governors to nominate a new Vice Chair. Governor Borenstein nominated Governor Schori to serve as the next Vice Chair.

Motion:

Governor Leslie:

Moved, that the ISO Board of Governors elects Governor Jan Schori to serve as Vice Chair of the ISO Board of Governors, whose role will include substituting for the Chair when the Chair is unable to fulfill his or her duties, for example, due to conflicts, absence, or unforeseen reasons, effective January 1, 2023 to December 31, 2023, or until a successor is elected, which shall be as soon as practical thereafter.

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 3:10 p.m.