

**GENERAL SESSION MINUTES  
BOARD OF GOVERNORS MEETING  
September 18, 2019  
ISO Headquarters  
Folsom, California**

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**September 18, 2019**

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:

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

The following members of the executive team were present throughout the meeting: Steve Berberich, Keith Casey, Mark Rothleder, Eric Schmitt, Stacey Crowley, Ryan Seghesio, Jodi Ziemathis and Greg Fisher

**GENERAL SESSION**

The following agenda items were discussed in general session:

**PUBLIC COMMENT**

There was no general public comment.

**DECISION ON GENERAL SESSION MINUTES**

Governor Galiteva moved for approval of the Board of Governors general session minutes for the June 28 (joint session) and July 24, 2019 meetings. The motion was seconded by Governor Bhagwat and approved 5-0.

**CEO REPORT**

Steve Berberich, President and CEO, provided an overview of the following sections of his CEO report: overall system conditions, reliability coordinator services, energy imbalance market, regional day-ahead market, annual symposium, and renewable energy production numbers.

## EIM GOVERNING BODY CHAIR REPORT

Carl Linvill, Chair of the EIM Governing Body, noted two members of the EIM Governing Body attended the August 22, 2019 Regional Issues Forum meeting. Mr. Linvill next provided highlights of the EIM Governing Body's August 28, 2019 meeting in Portland, Oregon, and noted the Governing Body was also able to conduct various outreach efforts adjacent to the meetings. He stated the next RIF meeting would take place on December 3<sup>rd</sup> in Las Vegas, Nevada and stated the Body of State Regulators next meeting would be on October 7<sup>th</sup> in San Diego, California.

## DECISION ON CONDITIONAL APPROVAL TO EXTEND EXISTING RELIABILITY MUST-RUN CONTRACTS

Neil Millar, Executive Director - Infrastructure Development, provided an overview of Management's request for the Board to conditionally approve an extension of the existing reliability must-run contract for 2020 for the Dynegy Oakland, LLC generating units. Mr. Millar further described why the extensions were conditional. He stated that the CPUC jurisdictional load serving entities made preliminary resource adequacy showings. He provided an overview of the pre-determined timeline of the resource adequacy process and noted that letters for reliability must-run extensions or terminations will be sent to resource owners on October 1, 2019. Mr. Millar stated that Management would provide the results of the reliability must-run contract extensions at the November Board meeting. Brief discussion followed regarding the release of the Yuba City and Feather River Energy Centers contracts.

### Motion

#### Governor Olsen:

***Moved, that the ISO Board of Governors authorizes Management to extend reliability must-run contracts for the Dynegy Oakland, LLC generating units listed on Attachment 1 of the memorandum dated September 11, 2019, and consistent with the criteria described therein.***

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

## BRIEFING ON POST 2020 GRID OPERATIONAL OUTLOOK

Mark Rothleder, Vice President – Market Quality & State Regulatory Affairs, provided a briefing on the post 2020 grid operational outlook. Mr. Rothleder stated the ISO supports California's clean energy goals and noted the 33% RPS was achieved ahead of the 2020 target date. He also noted there had been a 34% reduction in greenhouse gas emission associated with serving the ISO since 2014. Mr. Rothleder stated there were three primary operational challenges ahead: (1) capacity shortfall in 2020 and meeting summer evening peak load, (2) increased ramping needs, and (3) low renewable energy production from multi-day weather events, and noted this

presentation was focused on the first challenge pertaining to capacity shortfall. Mr. Berberich noted that Management would report back on challenges 2 and 3 at a future Board meeting.

Mr. Rothleder described how the peak demand was shifting from the afternoon to early evening and how solar production was significantly reduced during these new later peak demand hours. He described how the ISO currently relies on energy from natural gas imports and discussed how energy capacity was decreasing due to retirement of once-through cooling steam generation, reduced imports and potential changes in hydro conditions. He provided an overview of a graph that depicted how gas and imports support high loads after the sun sets and graph that depicted the potential resource shortages in 2020 and 2021. He noted the importance of procuring enough resources to meet the system needs, including the operational gap time period leading up to the peak demand. Mr. Rothleder concluded his presentation by reviewing proposed recommended actions to address the capacity concerns. Mr. Rothleder noted the ISO's appreciation to the CPUC for taking action, including opening an integrated resource procurement proceeding to address these shortfalls. Discussion followed regarding the projected shortfalls and recommended actions.

#### Public comment

Ed Randolph, on behalf of the California Public Utilities Commission, provided comments noting appreciation for the ISO's presentation and then provided an overview of actions taken by the CPUC over the last 9 months to address the capacity shortfall issue. Mr. Randolph next provided an overview of a recent Proposed Decision issued as well as efforts underway in the resource adequacy proceeding. Brief discussion following regarding capacity contracts.

Matt Barmack, on behalf of Calpine, provided comments regarding the energy requirement associated with resource adequacy imports and noted appreciation to the ISO and CPUC for their efforts in this area.

Brian Theaker, on behalf of Middle River Power, provided comments and noted appreciation to the ISO for its grid operational analysis and noted the importance of extending resource adequacy contract beyond one year to maintain certain gas resources to address capacity needs.

Jan Smutny-Jones, on behalf of Independent Energy Producers, provided comments and emphasized the importance of having a multi-year forward resource adequacy requirement and also noted the importance of having a gas fleet available for capacity in the near term.

Carrie Bentley, on behalf of Western Power Trading Forum, provided comments and noted appreciation for the ISO's presentation and concurred with the recommended actions and discussed additional recommended actions the ISO should address as part of a stakeholder process. Mr. Casey provided responsive comments describing the

efforts underway by the ISO to address the additional recommended actions. Mr. Casey noted the importance of also keeping in mind the shortfall associated with losing Diablo Canyon in 2024-25 in parallel with these near-term capacity short falls.

Eric Eisenman, on behalf of Pacific, Gas and Electric Company, provided comments and commended the ISO and CPUC for the efforts in this area and noted that PG&E supports the recommendations in the CPUC's integrated resource planning proceeding. Mr. Eisenman requested that the ISO continue to focus on challenges 2 and 3 in parallel with the capacity shortfall challenge.

Brief discussion followed and the Board indicated these challenges remained a top priority going forward.

## **DECISION ON BOARD COMMITTEE MEMBERSHIPS**

Greg Fisher, Senior Counsel, recommended the following two motions regarding modifications to memberships on two Board committees:

### **Motion – DMM Oversight Committee**

**Governor Bhagwat:**

***Moved, that the ISO Board of Governors elects Severin Borenstein to serve as a member of the Department of Market Monitoring Oversight Committee effective September 18, 2019, which will now consist of Angelina Galiteva - Chair, Ash Bhagwat and Severin Borenstein, and which also results in an Audit Committee membership consisting of Dave Olsen – Chair and Mary Leslie.***

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

### **Motion – EIM Nominating Committee**

**Governor Olsen:**

***Moved, that the ISO Board of Governors appoints Severin Borenstein to serve as its representative on the nominating committee for the Energy Imbalance Market Governing Body.***

The motion was seconded by Governor Bhagwat and approved 5-0

## **INFORMATIONAL REPORTS**

There were no comments or questions on the following informational reports: business practice manual change management report, Department of Market Monitoring update,

market performance report, market initiatives release plan, regulatory report, state, regional and federal affairs update, Market Surveillance Committee report, Transmission Maintenance Coordination Committee update, and the Western energy imbalance market and benefits update.

## **ADJOURNED**

There being no additional general session matters to discuss, the general session was adjourned at approximately 3:10 p.m.