

GENERAL SESSION MINUTES

EIM TRANSITIONAL COMMITTEE MEETING

July 1, 2014

ISO Headquarters

Folsom, California

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The Energy Imbalance Market Transitional Committee, an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 3:10 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the EIM Transitional Committee were in attendance:

Steve Beuning
Tony Braun
Dede Hapner
Natalie Hocken
Travis Kavulla
Kevin Lynch
Mark Smith
Walter Spansel
Rebecca Wagner
Robert Weisenmiller
Carl Zichella

GENERAL SESSION

The following agenda items were discussed in general session:

OPENING REMARKS

Stacey Crowley, Director – Regional Affairs and ISO liaison to the committee, provided opening remarks and thanked the committee members for their participation throughout the nomination process. Ms. Crowley noted the two primary functions of the committee were to develop a long-term governance proposal for EIM matters and to advise the ISO Board of Governors on EIM implementation matters.

PUBLIC COMMENT

No public comment was offered at this time.

ELECTION OF ENERGY IMBALANCE MARKET TRANSITIONAL COMMITTEE CHAIR

Committee member Kavulla provided comments in support of his nomination for Rebecca Wagner, Commissioner –Public Utilities Commission of Nevada, as Chair of the EIM Transitional Committee. He further discussed Ms. Wagner’s background and qualifications. Brief discussion followed.

Motion

Committee member Kavulla:

Moved, that the Energy Imbalance Market Transitional Committee, advisory committee to the Board of Governors of the California Independent System Operator Corporation, elects Rebecca Wagner to serve as Chair of the Energy Imbalance Market Transitional Committee, subject to confirmation by the Board, pursuant to section II(D) of the Energy Imbalance Market Transitional Committee Charter.

The motion was seconded by Committee member Spansel and approved 11-0-0.

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, informed the committee that confirmation of this election would be taken to the ISO Board of Governors at its July meeting.

BRIEFING ON ENERGY IMBALANCE MARKET

Mark Rothleder, Vice President – Market Quality and Renewable Integration, provided an historical overview of the energy imbalance market, beginning with the proposal to the PUC-EIM Group in March 2012. He provided an overview of the timeline that concluded with an EIM go-live date of October 1, 2014. Mr. Rothleder described how EIM was easily scalable and offered a low cost, low risk option to new entities. He then provided an overview of the benefits of an energy imbalance market, including how it would enhance the ability to integrate renewable resources by dispatching every five minutes. He then described how EIM would provide reliability and economic benefits to all participants.

Mr. Rothleder discussed a graph that depicted the net benefits of the energy imbalance market. He then described how EIM would help with imbalances in the market. He noted that imbalances were load and generation deviations that occur within the hour. Mr. Rothleder stated that in today’s market, each balancing authority must balance load and resources within its borders and that with EIM, the market would dispatch resources

across balancing authorities to balance energy. He described how EIM would extend ISO real-time market functionality to EIM participants and provided an overview of a graph that depicted EIM implementation milestones and status. Mr. Rothleder concluded his presentation by providing an overview of the recent order issued by the Federal Energy Regulatory Commission on the ISO's EIM proposal. He noted that the EIM framework remained intact and supported implementation of PacifiCorp and other participants. He provided an overview of several important items that FERC accepted without condition as well as those items that were conditionally accepted subject to a compliance filing.

Committee member Hocken, PacifiCorp EIM entity representative, provided an overview of the recent order issued by FERC on PacifiCorp's EIM proposal. She noted that FERC also provided broad acceptance of PacifiCorp's OATT revisions. Ms. Hocken provided an overview of the provisions that were accepted without condition as well as those provisions that would be addressed in a compliance filing. She concluded her presentation by providing an overview of several upcoming items that were planned to be studied and addressed in future filings at FERC.

Discussion followed regarding several matters addressed in the FERC orders and ISO Management confirmed that EIM implementation on October 1 was still on track. Brief discussion followed regarding the California-Oregon intertie and recent discussions with Bonneville Power Administration. Mr. Rothleder stated that work was in progress to determine the available amount of 5-minute dynamic transfer capability. He noted that allocation of dynamic capability would follow BPAs business practice. Mr. Rothleder stated that the ISO and PAC were coordinating with BPA on processes for managing PacifiCorps other rights across the BPA network.

Khaled Abdul-Rahman, Executive Director – Power Systems and Smart Grid Technology Development, provided the committee with a status update on EIM implementation. Mr. Abdul-Rahman provided an overview of the EIM network model and system changes. He provided an overview of the market simulation timeline that commenced with EIM entity testing on July 8 and concluded with EIM implementation on October 1. He noted that simulation would also test benefit metric models. Mr. Abdul-Rahman concluded his presentation by providing an overview of the EIM operation readiness efforts, including the drafting of an EIM business practice manual. Discussion followed regarding the market participant logging system.

FUTURE AGENDA ITEMS

Chair-elect Wagner provided remarks regarding her election as Chair and noted she was looking forward to the new role. Ms. Wagner next provided public disclosure of her recusal, as a PUC of Nevada Commissioner, to vote on any matters in the pending PUC of Nevada case related to NV Energy's participation in EIM.

Ms. Wagner then announced the tentative dates of the next two committee meetings: Tuesday, August 26 in Las Vegas, Nevada, and Thursday, October 23 in Sacramento,

California, to coincide with the ISO's stakeholder symposium. Chair Wagner also reminded the public to sign up for the ISO's Board and Committee market notices to receive electronic notices of upcoming meetings.

Ms. Wagner stated that the August 26 meeting would focus on the status of EIM implementation in preparation for the September Board decision on EIM go-live.

ADJOURNED

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