

**GENERAL SESSION MINUTES
EIM TRANSITIONAL COMMITTEE MEETING
March 5, 2015
Holiday Inn – Portland, Oregon**

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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 9:00 a.m. and the presence of a quorum was established.

ATTENDANCE

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

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

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON MINUTES

Committee member Spansel moved for approval of the EIM Transitional Committee's general session minutes for the January 12, 2015 meeting. The motion was seconded by Committee member Beuning and approved 10-0-0.

CHAIR REPORT

Chair Wagner provided an overview of committee activities and stated the governance issue paper has been posted and the working groups are currently reviewing comments received by stakeholders on January 26, 2015. Ms. Wagner stated the market design working group is actively involved in the energy imbalance market year one enhancements initiative.

BRIEFING ON NORTHWEST POWER POOL'S SECURITY CONSTRAINED ECONOMIC DISPATCH INITIATIVE

Elliot Mainzer, on behalf of Bonneville Power Administration, provided the committee an update on recent activities and next steps related to NWPP's security constrained economic dispatch initiative. Mr. Mainzer stated that background information on the initiative was available on BPA's website in the resources section. He explained that Southwest Power Pool's and California ISO's proposals, which were submitted in response to the NWPP's RFP, did not result in an actionable path forward for the broader group based on design, governance and cost challenges. Mr. Mainzer noted the importance of the EIM Transitional Committee's work on the governance proposal. He then provided an overview of next steps. He provided an overview of work plans actively underway and noted that BPA was continuing to look at both SCED and non-SCED alternatives. Discussion ensued and Mr. Mainzer responded to various questions from the committee members. The committee noted its appreciation to Mr. Mainzer for his update.

BRIEFING ON ENERGY IMBALANCE MARKET

Mark Rothleder, Vice President – Market Quality and Renewable Integration, provided the committee an update on EIM operations. Mr. Rothleder provided a summary of EIM benefits for the 4th quarter of 2014 and noted the total for November and December was \$5.97 million. He next provided an overview of graphs that depicted 15-minute and 5-minute price frequencies in PacifiCorp East and PacifiCorp West and noted that prices stabilized after the November 14 pricing discovery waiver granted by FERC. Mr. Rothleder next discussed a graph that depicted 15-minute transfers between PacifiCorp and the ISO and noted they moderated in February. Mr. Rothleder next discussed the status of NV Energy's implementation process and noted it was progressing on schedule with non-binding parallel production starting on September 1, 2015. Discussion followed and Mr. Rothleder responded to questions from the committee members.

John Anders, Lead Counsel, provided the committee an update on EIM enhancements. Mr. Anders provided an overview of the transitional adjustments the ISO filed with FERC, and noted that several remain pending. He stated that the proposed year one enhancements in phase 1 would be presented to the ISO Board at its March 26-27, 2015 meeting, and provided a brief overview of the proposed enhancements

Discussion followed and Mr. Anders responded to questions from the committee members. Mr. Anders provided an overview of the stakeholder comments received on the year one enhancements initiative.

Eric Hildebrandt, Director of Market Monitoring, provided the committee an overview of the performance of the energy imbalance market. Mr. Hildebrandt described how the price discovery waiver has kept prices closely in line with bilateral market prices. He described a graph that depicted how the constraint relaxation had decreased but continued in PacifiCorp East, as well as a graph that depicted how constraint relaxation had been much lower and trended down in PacifiCorp West. Mr. Hildebrandt next provided an overview of several graphs depicting average prices and constraint relaxation in the 15-minute and 5-minute markets in PacifiCorp East and West. He noted that outage rates in PacifiCorp East were averaging about 15 percent and that outage rates for participating capacity in PacifiCorp West were averaging about 10 percent. He described how undispached bids averaged about 5.6 percent of the total load on PacifiCorp East and about 23 percent of the total load in PacifiCorp West. He stated that bidding has been very competitive. Mr. Hildebrandt concluded his presentation by describing how flexible ramping constraint issues associated with EIM had led to lower procurement, and lower constraint prices in the ISO, and noted that these issues have been addressed. Brief discussion followed and Mr. Hildebrandt and Mr. Rothleder responded to various questions from the committee members.

Dede Subakti, Director – Operations Engineering Services, provided the committee a briefing on Peak's work on the enhanced curtailment calculator. Mr. Subakti described how the enhanced curtailment calculator was envisioned to serve as a congestion management tool used by the reliability coordinator (RC) to manage power system congestion within the Western Interconnection. He noted the enhanced curtailment calculator project had the following two phases: Phase 1 would allow the RC to identify contributing factors to overload and would be used for situational awareness; and phase 2 would allow for curtailment functionality. Mr. Subakti provided a status update on each of the two phases and reviewed the challenges still needed to be resolved for phase 2, including the curtailment management methodology. He described how phase 2 might need to be rolled out in three sub-phases as a result of the potential challenges. Discussion followed and Mr. Subakti provided responses to various inquiries.

WORKING GROUP UPDATES

Committee member Smith, lead of the market design working group, provided an overview of recent activities pertaining to the year one enhancements stakeholder initiative.

Committee member Hapner, lead of the straw proposal working group, provided an update and noted the straw proposal working group was looking forward to reviewing

stakeholder comments as a key input into the development of a governance straw proposal.

Chair Wagner, on behalf of Carl Zichella - lead of the stakeholder working group, provided a brief update on recent activities of the working group and noted a stakeholder meeting on the governance straw proposal scheduled for March 31, 2015 at the ISO. Committee member Hocken noted the working group is putting together a matrix of responses to the stakeholder comments.

FUTURE AGENDA ITEMS

The committee requested ongoing briefing on the EIM benefit studies.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 11:20 a.m.