

## Memorandum

**To:** ISO Board of Governors  
**From:** Kristine Schmidt, Chair, Western EIM Governing Body  
**Date:** April 24, 2017  
**Re:** **EIM Governing Body Chair update**

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***This memorandum does not require Board action.***

The Western EIM Governing Body held its second quarter 2017 general session meeting April 19 in Salt Lake City, Utah. All five Governing Body members attended in person. Also, Commissioner Jordan White from the Utah Public Service Commission attended in person and Commissioner Ann Rendahl from the Washington Utilities & Transportation Commission attended by phone. All materials are located on the Western EIM Governing Body page of the ISO website: <http://www.caiso.com/informed/Pages/BoardCommittees/EnergyImbalanceMarketGoverningBody/Default.aspx>.

### **Body of State Regulators update**

Commissioner Ann Rendahl, Body of State Regulators (BOSR) Chair, noted the BOSR met March 27 and April 10 to consider reliance on the ISO to provide website and communications support, and to make available on its website BOSR meeting documents. The BOSR also discussed proposed changes to the Charter for Energy Imbalance Market Governance. The BOSR Staff Advisory Committee (SAC) held meetings in advance of the BOSR meetings to review these matters and offer advice to the BOSR. The BOSR has decided to rely on the ISO's website and market notice capabilities to notice BOSR meetings, post meeting materials, utilize telecommunications systems, and rely on other network support for the BOSR EIM activities. Additionally, the BOSR, through email communications, unanimously supported the proposed Charter changes to be presented to the ISO's Board of Governors.

### **Regional Issues Forum update**

Regional Issues Forum (RIF) Liaisons Tony Braun, Sarah Edmonds, and Therese Hampton provided an overview of the RIF's recent proposal to address the RIF re-evaluation (the re-evaluation is a requirement pursuant to the Charter for EIM Governance) and sought EIM Governing Body feedback. The stakeholders and RIF have done extensive work on the re-evaluation and their current proposal is moving closer to gaining broad support. While stakeholder comments on the current proposal are due May 3, 2017, the EIM Governing Body asked questions and provided feedback

to the RIF Liaisons regarding the current proposal (<http://www.aiso.com/informed/Pages/BoardCommittees/EnergyImbalanceMarketGoverningBody/EIMRegionalIssuesForum.aspx>). Once stakeholder comments are received, the RIF Liaisons will determine if a second round of comments will be necessary. RIF Liaisons continue to work to have the re-evaluation completed and ready for a final presentation to the EIM Governing Body at the July 13, 2017 meeting.

### **Portland General Electric readiness**

Petar Ristanovic, ISO VP Technology, and Larry Bekkedahl, VP Transmission & Distribution, Portland General (PGE), each provided an update on PGE's readiness for joining the EIM on October 1, 2017. While Petar noted PGE will increase transfer capability between other EIM Entities, the anticipated gross benefits from PGE joining are in the \$2.7-\$3.7MM/year. PGE started their "Day in the Life" testing March 20, 2017, and all efforts are on track for integration October 1. Larry presented background materials on the history of PGE and illustrated PGE's operational and system capabilities in the Western region. Noting PGE's President & CEO Jim Piro's message, "EIM is one of PGE's most important initiatives in 2017," Larry echoed Petar's remarks that PGE is on track to assimilate into the EIM on October 1. Larry highlighted some of PGE's key accomplishments: PGE founded the EIM Implementation and Policy Forum (IPF) which is an organic group of current and pending EIM Entities who share lessons learned, discuss common policy and regulatory issues and concerns, and operational issues; PGE deployed the ISO computer-based training to 350 impacted employees; and PGE formed a cross-functional working group to address the ISO EIM simulation scenarios and settlements, and the methodology for dispatching generation units in the EIM.

### **ISO policy outlook**

Brad Cooper, ISO Manager Market Policy, reviewed the status of the EIM-focused, EIM-related and non-EIM-related stakeholder initiatives. Four EIM *primary* initiatives are currently underway and are at various stages of completion, with two anticipated to be completed and presented to the EIM Governing Body by the end of the year, and the other two on track to be completed in 2018. Three EIM *advisory* initiatives are also underway, and all three are anticipated to be completed and presented to the EIM Governing Body at the July 13 meeting, prior to being presented to the Board at the end of July. A fourth EIM *advisory* initiative is under development and is anticipated to be reviewed by the EIM Governing Body in September. These policy updates continue to be critical to keep the newer stakeholders apprised of pending policy initiatives that will aid in their participation in the ISO stakeholder process.

### **Western EIM update**

Mark Rothleder, ISO VP Market Quality & Renewable Integration, gave an educational briefing and update on recent supply conditions. The ISO is witnessing increased

ramps and deeper mid-day net-load levels. In the past two years, the curtailment of renewables in volume and frequency has steadily increased and is accelerating into this spring. Since its inception, the EIM has helped to avoid increasing levels of curtailment, and as more EIM Entities join, these benefits are anticipated to expand. Over the last few years, solar power resources have augmented the reduced hydro levels (due to drought) and more recently, solar power continues or even increases its pace of output similar to the years with reduced hydro. Given increasing solar output and hydro conditions that are back to or above normal, the lower than expected hydro GWh output indicates hydro units may be spilling water supplies instead of sending water through the turbines responsive to the economic signals. The ISO has started to forecast and communicate the expectation of oversupply conditions to proactively and timely inform market participants.

### **Charter for Energy Imbalance Market Governance proposed changes**

The Western EIM Governing Body discussed proposed changes to the Charter and unanimously voted to endorse the proposed amendments to the Charter and recommended ISO management submit these proposed changes to the Board for approval. A verbal update will be provided at the Board meeting on May 1.

### **Western EIM Governing Body reappointment**

Sarah Edmonds, VP PacifiCorp and EIM Nominating Committee representative, presented an overview of the EIM Governing Body Selection Process due to the first expiring EIM Governing Body term. The Western EIM Nominating Committee convened earlier this year to take up the matter of the first term to expire, that of Kristine Schmidt, who during the inaugural setting of the Western EIM Governing Body was randomly assigned a 1-year term. The Nominating Committee was consensus-driven in its deliberations, with the goal of identifying a candidate that met the directives of the EIM Governing Body selection policy. The Nominating Committee reached consensus on the nomination, and recommended the EIM Governing Body appoint Kristine Schmidt to a 3-year term, effective July 1, 2017 through June 30, 2020. The EIM Governing Body approved the nomination in a 4-0 vote, with Chair Schmidt recused.

### **Western EIM Governing Body Chair & Vice Chair elections**

As discussed and decided at the EIM Governing Body's first general session on August 30, 2016, the EIM Governing Body created the Vice Chair to ensure business continuity and succession planning for the Chair role and agreed to reappoint the Chair and Vice Chair annually. Additionally, it was decided the Vice Chair would be the EIM Governing Body's representative to the Nominating Committee. Chair Schmidt stated the importance of changing the leadership of the Governing Body on a regular basis and given the strong leadership skills and capabilities of all Governing Body Members, stated her belief that a rotation should take place annually. As such, the EIM Governing

Body appointed Douglas Howe to the position of Chair and Valerie Fong to the position of Vice Chair, effective July 1, 2017 to June 30, 2018.

### **Salt Lake City outreach meetings**

While in Salt Lake City, members of the EIM Governing Body met with representatives from UAMPS (Member Prescott), Deseret Power (Member Prescott), Western Resources (Members Howe, Linvill, and Prescott), and NGO and environmental advocates (Members Fong and Schmidt), and with the UT Commissioners and staff members (Member Linvill).