

# **GENERAL SESSION MINUTES BOARD OF GOVERNORS MEETING December 17, 2021 Teleconference**

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## **December 17, 2021**

The ISO Board of Governors convened the general session meeting at approximately 1:05 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:

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

## **GENERAL SESSION**

The following agenda items were discussed in general session:

## **PUBLIC COMMENT**

There was no public comment.

## **DECISION ON THE GENERAL SESSION MINUTES**

Governor Borenstein moved for approval of the Board of Governors general session minutes for the September 22, 2021 meeting. The motion was seconded by Governor Leslie and approved 5-0.

## **CEO REPORT**

Elliot Mainzer, President and CEO, provided highlights of the following sections of his CEO report: reliable operations and resource adequacy, coordinated transmission planning, queuing and procurement, energy storage, improved communication and collaboration, resource sufficiency and wheel-throughs, EIM and EDAM, representing the ISO at COP 26, improved prioritization at the ISO, investing in our people and culture, and turning the page on 2021.

## **EIM GOVERNING BODY CHAIR REPORT**

Anita Decker, Chair of the EIM Governing Body, provided highlights of the EIM Governing Body's November 22 general session meeting that included briefings from the Body of State Regulators and the Regional Issues Forum, and an update on the resource sufficiency initiative. Ms. Decker reported that BOSR would be issuing consensus comments on the resource sufficiency evaluation enhancements initiative, as well as hold future educational forums. She reported that the Regional Issues Forum new officers would be onboarding in approximately two to three months. Ms. Decker noted that the Regional Issues Forum expected to hold their first in-person meeting on January 25 in Portland, Oregon.

Next, Ms. Decker informed the Board that Anna McKenna, Vice President – Market Policy & Performance, provided an update on the status of the resource sufficiency evaluation enhancements initiative.

Next, Ms. Decker informed the Board that the EIM Governing Body provided an update on the market expert. She reported that the market expert position is open and was posted on daily briefing. Ms. Decker concluded by adding that the job posting closes on January 28.

## **DECISION ON CONTRACT MANAGEMENT ENHANCEMENTS**

Jason Foster, Lead Queue Management Specialist, provided the Board an overview of Management's proposal on interconnection contract management enhancements. Mr. Foster summarized the eight proposals within the interconnection contract management enhancements initiative: (1) "ISO as an affected system" study agreement, (2) clarifying rights to retain all interconnection service agreement, (3) adjustment timeline for ISO to tender study plans to interconnection customers requesting a repower study, (4) clarify repower language regarding interconnection of generating units, (5) allow projects to align commercial operation dates with power purchase agreements, (6) allow project conversions from other resource types to 100% storage, (7) align processes for "serial" projects with current "cluster" projects, and (8) revise the effective date of generator interconnection study process agreements. Next, he provided an overview of stakeholder feedback and noted favorable support from stakeholders. Mr. Foster concluded his presentation by summarizing the benefits of the proposal.

### Public comment

There was no public comment offered at this time.

### Motion:

Governor Leslie

***Moved, that the ISO Board of Governors approves the proposed interconnection contract management enhancements, as described in the memorandum dated December 9, 2021; and***

***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.***

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

## **DECISION ON SETTLEMENT SYSTEM UPGRADE PROJECT BUDGET**

Heather Kelley, Director – Operations Services, Compliance, and Analysis, provided an overview of Management’s request for funding to upgrade the existing ISO settlement system, as well as to replace the aging technology infrastructure. Ms. Kelley provided a brief background and limitations of the existing system. Next, Mrs. Kelley summarized the benefits of enhancing the settlement system. She noted the ISO’s goal was to roll out the new system systematically with transparency. Ryan Seghesio, Vice President, Chief Financial Officer and Treasurer, informed the Board that Management’s request would be a supplemental capital project, supplemental to the ISO’s annual capital program, and would come out of the capital reserves and therefore no debt financing. Discussion followed and Management provided responsive comments.

### Public Comment

There was no public comment offered at this time.

### Motion:

Governor Schori

***Moved that the ISO Board of Governors approves the capital project budget of \$15.6 million for the ISO settlement system upgrade project as described in the memorandum dated December 9, 2021.***

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

## DECISION ON 2022 BUDGET

April Gordon, Director – Financial Planning and Procurement, provided the Board an overview of the proposed 2022 budget. Ms. Gordon highlighted the revenue requirement had increased by \$1.0 million to \$182.6 million. She stated the O&M budget increased by \$9.9 million to \$210.7 million due to higher labor costs.

Next, Ms. Gordon explained the capital project budget for 2022 is \$30 million, with \$20 million for market, operation, and technology enhancements as well as other capital projects. She noted the operating cost reserve adjustment is \$19.1 million as a credit to stakeholders. Ms. Gordon concluded her presentation by stating stakeholders were generally supportive of the 2022 revenue requirement. Discussion ensued.

### Public comment

There was no public comment offered at this time.

### Motion:

#### Vice Chair Bhagwat

***Moved, that the ISO Board of Governors approves the 2022 GMC revenue requirement, capital/project budget, and resulting rates as set forth in Attachment A to the memorandum dated December 9, 2021.***

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

## ANNUAL ELECTION OF BOARD OF GOVERNORS CHAIR AND VICE CHAIR

Elliot Mainzer, CEO, provided complimentary remarks to the outgoing Board Chair, Angelina Galiteva. Next, Board members added complimentary remarks and thanked Ms. Galiteva. Next, Governor Galiteva provided additional remarks then explained the chair and vice chair rotation process.

### Motion:

#### Governor Galiteva

***Moved, that the ISO Board of Governors elects Ash Bhagwat 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, 2022 to December 31, 2022, or until a successor is elected, which shall be as soon as practical thereafter; and Moved, that the ISO Board of Governors elects Mary Leslie 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, 2022 to December 31, 2022, 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 following informational reports: Regulatory report, State, regional and federal affairs update, Market Surveillance Committee update, Business practice manual change management report, Department of Market Monitoring update, Market performance report, Market initiatives update, quarterly financial report, transmission maintenance coordination committee update, clarification to the reliability must-run designation process, and EIM benefits and implementations update.

### Public comment

Public comment was provided as follows:

Eric Little, on behalf of Cal CCA.

## **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 2:45 p.m.