

**GENERAL SESSION MINUTES
BOARD OF GOVERNORS MEETING
GENERAL SESSION
November 4, 2015
ISO Headquarters, Folsom, CA**

November 4, 2015

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:

Ash Bhagwat, Acting Chair
Mark Ferron
Angelina Galiteva
Dave Olsen

The following members of the executive team were present: Steve Berberich, Mark Rothleder, Keith Casey, Petar Ristanovic, Eric Schmitt, Karen Edson, Roger Collanton, Ryan Seghesio and Becky Regan.

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

Daryl Michalik, on behalf of Dynamic Grid Council, provided comments regarding the ISO's transmission access charge assessment methodology. He noted concerns that it was creating market distortion, and requested that the ISO expand its current TAC stakeholder process to address these concerns.

Sahm White, on behalf of Clean Coalition, also provided comments regarding the ISO's transmission access charge assessment methodology. He noted similar concerns as Mr. Michalik, and requested the ISO expand its current stakeholder process to address these concerns.

Discussion followed regarding the complicated nature of the issue and Keith Casey, Vice President of Infrastructure and Development, provided responsive comments and encouraged Mr. Michalik and Mr. White to submit written comments by November 13 as part of the current TAC initiative.

DECISION ON GENERAL SESSION MINUTES

Governor Galiteva moved for approval of the Board of Governors general session minutes for the September 17-18, 2015 meeting. The motion was seconded by Governor Olsen and approved 4-0.

CEO REPORT

Steve Berberich, President and CEO, provided an overview of the following sections of his report: overall conditions, PacifiCorp/ISO integration benefits report, energy imbalance market update, and renewable generation peaks. Discussion followed and the Board noted its appreciation to the EIM Transitional Committee throughout the development of the EIM governance proposal. In response to a board inquiry regarding the continuing role of the committee, Stacey Crowley, Director – Regional Affairs, informed the Board that the committee's preference was to remain in place at least until the EIM governing board is established during 2nd quarter 2016. The Board concurred with this approach.

BRIEFING ON ENERGY IMBALANCE MARKET

Mark Rothleder, Vice President, Market Quality and Renewable Integration, provided a briefing on the energy imbalance market as well as an update on EIM implementation efforts. Mr. Rothleder provided an overview of the Q3 benefits assessment and stated that first year benefits exceeded \$33 million. Brief discussion followed regarding the estimated range of benefits. He provided an overview of several graphs that demonstrated how pricing performance continued to perform well in both the 5-minute and 15-minute prices. He reviewed a graph that depicted how PACE to PACW transfer was unavailable part of September and October due to maintenance work. He provided an overview of a chart listing transfers into the ISO by supporting resource type. Mr. Rothleder provided an update on EIM implementation efforts and noted that NV Energy implementation originally set for November 1, has been delayed pending the necessary FERC orders. He stated Puget Sound Energy and Arizona Public Service implementations were on track for October 1, 2016.

DECISION ON ENERGY IMBALANCE MARKET YEAR ONE ENHANCEMENTS PHASE 2

Don Tretheway, Senior Advisor – Market Design and Regulatory Policy, provided the Board with an overview of Management's energy imbalance market year one enhancements phase 2 proposal. Mr. Tretheway provided an overview of the four design changes and noted they were minor in nature. He reviewed a graph that depicted how the market enforces inertia scheduling constraints between balancing authority areas. He described how the proposal would address cases where there was a simultaneous inertia scheduling constraint and an EIM transfer constraint. He stated that stakeholders generally supported the proposed general design changes and that Management worked closely with the Department of Market

Monitoring on the congestion revenue proposal. He stated that Management would continue to monitor EIM performance to determine whether an EIM-wide transmission charge or flow entitlements should be considered. Brief discussion followed.

Public comment

Christine Kirsten, on behalf of PacifiCorp, provided comments in support of the EIM year one enhancements phase 2 proposal.

Motion

Governor Olsen:

Moved, that the ISO Board of Governors approves phase 2 of the energy imbalance market year 1 enhancements proposal, as described in the memorandum dated October 28, 2015; 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 proposed tariff change.

The motion was seconded by Governor Bhagwat and approved 4-0.

DECISION ON APPROVED PROJECT SPONSOR ENHANCEMENTS

Debi Le Vine, Director – Infrastructure Contracts and Management, provided the Board an overview of Management’s approved project sponsor enhancements proposal. Ms. Le Vine described how the approved project sponsor process satisfied the information requirements of the participating transmission owner application process. She stated they were duplicative processes and therefore the approved project sponsors should be exempt from the participating transmission owner application process. She noted the change was minimal and was supported by stakeholders.

There was no public comment on this item.

Motion

Governor Ferron:

Moved, that the ISO Board of Governors approves the proposed approved project sponsor enhancements, as described in the memorandum dated October 28, 2015; 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 proposed tariff change.

The motion was seconded by Governor Galiteva and approved 4-0.

DECISION ON INTERCONNECTION PROCESS ENHANCEMENTS

Debi Le Vine, Director – Infrastructure Contracts and Management, provided the Board an overview of Management’s proposal for interconnection process enhancements. Ms. Le Vine stated that the Board approved nine interconnection enhancements at its September meeting and that the following two remained: affected systems and time-in-queue limitations. She explained that the affected systems proposal would expand the existing business practice manual process. Ms. Le Vine next described how the time-in-queue proposal would establish commercial viability criteria to retain deliverability beyond 7/10 years. She noted that while the proposal had broad support, one stakeholder did not fully support certain elements. Ms. Le Vine provided an overview of the concerns and brief discussion followed. She recommended the Board approve the proposal as it provided the needed structure for administering the queue and furthered the ISO’s position in the interconnection process to implement more ambitious renewable policy goals.

There was no public comment on this item.

Motion

Governor Galiteva:

Moved, that the ISO Board of Governors approves the proposed interconnection process enhancements, as described in the memorandum dated October 28, 2015; 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 proposed tariff change.

The motion was seconded by Governor Bhagwat and approved 4-0.

INFORMATIONAL REPORTS

There were no questions on the following informational reports: regulatory update, State, Regional and Federal affairs update, business practice manual change management report, Department of Market Monitoring update, Market Surveillance Committee update, master stakeholder engagement and release plans, market performance report, quarterly financial

report, update on renewables in the generator interconnection queue, and the update on results of the reliability must-run contract extensions.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 3:00 p.m.