

**GENERAL SESSION MINUTES  
BOARD OF GOVERNORS MEETING  
May 16-17, 2018  
ISO Headquarters  
Folsom, California**

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**May 16, 2018**

The ISO Board of Governors convened the general session meeting at approximately 2:30 p.m. and the presence of a quorum was established.

**ATTENDANCE**

The following members of the ISO Board of Governors were in attendance:

Dave Olsen, Chair  
Angelina Galiteva, Vice Chair, via teleconference  
Ash Bhagwat  
Mark Ferron  
Richard Maullin

The following members of the executive team were also present at times throughout the meeting: Steve Berberich, Keith Casey, Petar Ristanovic, Mark Rothleder, Eric Schmitt, Roger Collanton, Stacey Crowley, Ryan Seghesio and Jodi Ziemathis

**GENERAL SESSION**

The following agenda items were discussed in general session:

**PUBLIC COMMENT**

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer acknowledged receipt of a public comment letter from Sonoma Clean Power and Peninsula Clean Energy regarding the congestion revenue rights auction efficiency initiative.

**DECISION ON GENERAL SESSION MINUTES**

Governor Galiteva moved for approval of the Board of Governors general session minutes for the March 22, 2018 meeting. The motion was seconded by Governor Ferron and approved 5-0.

## **CEO REPORT**

Steve Berberich, President and CEO, provided an overview of the following sections of his report: overall system conditions, reliability coordinator services, summer loads and resources, Powerex and Idaho Power energy imbalance market participation, energy imbalance market benefits for Q1 2018, and renewable energy production. Mr. Berberich noted that a new solar peak of 10,625 MW was recorded on May 7, 2018 at 12:22 p.m.

## **EIM GOVERNING BODY CHAIR REPORT**

Val Fong, Vice Chair of the EIM Governing Body, noted she was providing the report on behalf of Chair Doug Howe who was unable to attend the meeting. Ms. Fong provided highlights of the written report and informed the Board that the Chair of the Regional Issues Forum, Cameron Yourkowski, would be rotating off and that Vice Chair Therese Hampton would become Chair. Ms. Fong also noted that Chair Howe would be rotating off the EIM Governing Body after the next scheduled meeting on June 20, 2018. She stated the Nominating Committee was currently working on the slate for the two open seats.

## **DECISION ON IMBALANCE CONFORMANCE ENHANCEMENTS PROPOSAL**

Greg Cook, Executive Director – Market and Infrastructure Policy, provided the Board an overview of Management’s proposal on imbalance conformance enhancements. Mr. Cook described how balancing area operators manually adjust load forecast to reflect actual system conditions. He stated imbalance conformance is necessary to adjust the load forecast used by the market model due to deviations in forecast, generator output, intertie schedules and outages. Mr. Cook informed the Board that the EIM Governing Body had primary decisional role for one element of the proposal and advisory role for the balance of the proposal and that the EIM Governing Body recommended the Board approve the proposal.

Mr. Cook next provided an overview of the following remaining decisional elements requiring Board approval: tariff change explicitly authorizing imbalance conformance by the ISO balancing area, tariff change allowing use of the conformance limiter in the real-time market, and enhancements to the conformance limiter. He described how the imbalance conformance limiter aligns operator adjustments with the capabilities of the system and that the proposed enhancements to the imbalance conformance limiter address impacts of coarse adjustments. Mr. Cook provided an overview of the stakeholder process and noted that while stakeholders generally supported the proposed enhancements, some concerns remained. He stated that in response to concerns raised, Management has committed to propose to remove the limiter in two years. Mr. Cook concluded his presentation by providing an overview of the benefits of the proposal. Brief discussion followed regarding the volume and root cause of imbalance conformances.

### EIM Governing Body Advisory Opinion

Val Fong, Vice Chair of the EIM Governing Body, provided highlights of the advisory opinion submitted to the Board by the EIM Governing Body, and noted they looked forward to the removal of the limiter in two years.

### Public comment

Carrie Bentley, on behalf of the Western Power Trading Forum, provided comments in support of Management's proposal and recommended the Board approve the proposal.

### Department of Market Monitoring comment

Eric Hildebrandt, Executive Director, Market Monitoring, provided highlights of the written comments provided to the Board by the Department of Market Monitoring.

Discussion followed regarding the two-year commitment to remove the imbalance conformance limiter and Keith Casey, Vice President, Market and Infrastructure Development, noted the two-year period was selected in order to provide enough time for the necessary tools to be in place for the operators so that the ISO would be in a position to make a FERC filing to remove its authority to use the limiter.

### **Motion**

#### **Governor Ferron:**

***Moved, that the ISO Board of Governors approves the proposal to implement the imbalance conformance enhancements and the tariff clarifications authorizing imbalance conformance by ISO balancing area operators as described in the memorandum dated May 9, 2018; 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 described in the memorandum, 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 Governor Bhagwat and approved 5-0.

### **DECISION ON CONSENT AGENDA**

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, provided an overview of the consent agenda process as set forth in the EIM Governing Body governance documents.

There was no public comment on this item.

## **Motion**

### **Governor Ferron:**

***Moved, that the Board of Governors approves the May 16, 2018 consent agenda comprised of tariff clarifications authorizing EIM balancing areas to make imbalance conformance adjustments for their balancing area; and***

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

The motion was seconded by Governor Maullin and approved 5-0.

## **DECISION ON MODIFICATIONS TO RETIREE MEDICAL PLAN INVESTMENT POLICY**

Ryan Seghesio, Vice President, Chief Financial Officer and Treasurer, provided an overview of the proposed modifications to the Retiree Medical Plan Investment Policy. Mr. Seghesio described how the policy covers both of the following two portfolios: trust account and custody account. Mr. Seghesio provided an overview of the proposed modifications to align with the new terms and calculations under the new GASB No. 75 standard.

## **Motion**

### **Governor Ferron:**

***Moved, that the ISO Board of Governors approves the modifications to the ISO Retiree Medical Plan Investment Policy as described in the memorandum dated May 9, 2018.***

The motion was seconded by Governor Maullin and approved 5-0.

## DECISION ON AMENDMENTS TO DMM OVERSIGHT COMMITTEE CHARTER

Governor Bhagwat provided an overview of the proposed clarifying modifications to the Charter as part of the annual review process.

### Motion:

#### Governor Ferron:

***Moved, that the ISO Board of Governors approves the proposed Department of Market Monitoring Oversight Committee Charter, as attached to the memorandum dated May 9, 2018.***

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

## AUDIT COMMITTEE UPDATE

Governor Ferron provided an overview of the Audit Committee general session meeting held earlier in the day and requested that the Board accept the audit of the 2017 financial statements and FERC Form No. 1 as recommended by the Committee.

### Motion

#### Governor Bhagwat:

***Moved, that the Board of Governors, as recommended by the Audit Committee, accepts the audited financial statements issued on April 12, 2018 by PricewaterhouseCoopers, as attached to the memorandum dated May 9, 2018; and***

***Moved, that the Board of Governors, as recommended by the Audit Committee, accepts the FERC Form No. 1 audit report, issued on April 16, 2018 by PricewaterhouseCoopers, as attached to the memorandum dated May 9, 2018.***

The motion was seconded by Governor Ferron and approved 5-0.

## BRIEFING ON SUMMER LOADS AND RESOURCES ASSESSMENT RESULTS

Bob Emmert, Manager – Interconnection Resources, provided an overview of the 2018 Summer Loads and Resources Assessment results and noted that a probabilistic approach was taken for the assessment. Mr. Emmert next provided an overview of some of the challenging summer conditions projected in the report, including a 50% probability of a stage 2 emergency for at least one hour. He provided an overview of a graph that depicted that 2018 hydro was projected to be below normal and significantly below the 2017 levels. He also reviewed a graph that showed how 79% of low operating reserve margins occurred during low-to-zero solar generation, and that nearly all operating reserve margins below 3%

were in September. Mr. Emmert concluded his presentation by providing an overview of outreach performed pertaining to the summer assessment results as well as what actions the ISO will implement if system operating conditions get near or go into the emergency stages.

### **INFORMATIONAL REPORTS**

There were no comments or questions on the following informational reports: regulatory report, state, regional and federal affairs update, business practice manual change management report, Market Surveillance Committee update, master stakeholder engagement and release plans, market performance report, and quarterly financial report.

### **ADJOURNED**

There being no additional general session matters to discuss, the session was adjourned at approximately 3:30 p.m.