

GENERAL SESSION MINUTES EIM TRANSITIONAL COMMITTEE MEETING November 20, 2014 Pacific Energy Center San Francisco, CA

November 20, 2014

The Energy Imbalance Market Transitional Committee, an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 10:30 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 (joined at approximately 10:50 a.m.)
Dede Hapner
Natalie Hocken
Travis Kavulla
Kevin Lynch
Mark Smith
Walter Spansel (joined at approximately 11:10 a.m.)
Robert Weisenmiller
Carl Zichella

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON GENERAL SESSION MINUTES

Committee member Hapner moved for approval of the EIM Transitional Committee's general session minutes for the October 23, 2014 meeting. The motion was seconded by Committee member Kavulla and approved 9-0-0.

CHAIR REPORT

Chair Wagner provided an overview of committee activities and noted that she briefed the ISO Board of Governors at its November 13, 2014 meeting. Ms. Wagner stated that work is in process to develop a set of governance concepts that would later be converted into an issue paper to be posted for stakeholder review and input.

SCOPE AND STRUCTURE WORKING GROUP UPDATES

Committee member Lynch, lead of the structure working group, provided an overview of recent activities and noted that work had been focused on developing a high level concept paper that would identify the points on the spectrum with respect to the levels of integration into the ISO's current governance structure.

Committee member Smith, interim lead of the scope working group, provided an overview of recent activities, including providing components for the concept paper, and stated that they were looking forward to receiving stakeholder input.

Chair Wagner noted that the committee is targeting the end of the year to release the issue paper.

BRIEFING ON ENERGY IMBALANCE MARKET DEPLOYMENT

Mark Rothleder, Vice President – Market Quality and Renewable Integration, provided an update on the November 1, 2014 deployment of the energy imbalance market. Mr. Rothleder acknowledged the tremendous efforts of everyone involved including PacifiCorp, BPA and ISO staff. He stated that, while deployment ran smoothly relative to the scope of implementation and the market design, there were some transitional data transfer and software issues. Mr. Rothleder described how new business practices were being tuned to enhance information flow between operations and market inputs. He discussed the work in progress to bring additional resources from PacifiCorp's territory into the energy imbalance market. Mr. Rothleder stated the ISO had filed a request for a temporary tariff waiver from FERC allowing the ISO to price energy based on marginal bids instead of ISO relaxation parameters when transmission constraints or the power balance constraint in PacifiCorp area binds. John Anders, Lead Counsel, provided an update on the waiver filing and noted that stakeholders generally supported the filing. Brief discussion followed regarding the waiver request, and Mr. Anders confirmed that the ISO would be considering a similar interim type measure in future deployments.

Mr. Rothleder next provided an overview of graphs that depicted the following: 15-minute transfers between PacifiCorp and ISO, 15-minute transfers between PacifiCorp East and PacifiCorp West, 15-minute price frequency in PacifiCorp East and PacifiCorp West, and 5-minute price frequency in PacifiCorp East and PacifiCorp West. Discussion ensued regarding the various graphs, pricing behaviors and lessons learned. Mr. Rothleder responded to various questions from committee members regarding deployment. Committee members provided congratulatory remarks to everyone involved.

Mr. Rothleder next described how the ISO would be tracking energy imbalance market regional benefits and noted that a quarterly report will be provided to stakeholders. He described how the EIM benefit is the difference between EIM dispatch cost and counterfactual without EIM dispatch. He noted that in the future the ISO will explore tracking other benefits including those associated with over-generation, negative prices and renewable production. He provided an overview of potential areas for cost savings, including having access to economic transfers between energy imbalance market regions. Discussion ensued regarding the benefit tracking process and Mr. Rothleder provided comments in response to various questions from committee members. Mr. Rothleder stated the ISO will produce a quarterly report with the first report targeted for February 2015.

BRIEFING ON THE ROLE OF THE MARKET SURVEILLANCE COMMITTEE, AN ADVISORY COMMITTEE TO THE ISO BOARD OF GOVERNORS

Keith Casey, Vice President – Market and Infrastructure Development, provided an overview of the role of the Market Surveillance Committee, an advisory committee to the ISO Board of Governors. He stated that the MSC provides independent external advice to ISO Management, the Board of Governors, the Department of Market Monitoring (DMM), and the Federal Energy Regulatory Commission. Mr. Casey noted that key topics of advice include market design issues, special ISO studies and analyses, and Department of Market Monitoring reports and analyses.

Mr. Casey described how the MSC is an independent advisory committee to the Board and is subject to the ISO Open Meeting Policy and bylaws. He described the difference in roles between the MSC and DMM. Mr. Casey provided an overview of the experience and independence criteria that MSC members must meet and noted they can have no material affiliation or financial interest with any market participant. He discussed how the Board determines both MSC composition and compensation. He provided a brief biographical overview of the committee members and stated they provide valuable recommendations on a wide range of market issues. Discussion ensued regarding the MSC Charter and Mr. Casey confirmed the Charter was approved by the ISO Board. Discussion followed regarding the MSC opinion process and committee composition and Mr. Casey noted that regional membership is preferred.

FUTURE AGENDA ITEMS

Discussion ensued regarding suggested future agenda topics including EIM updates, Peak RC (Reliability Coordinator) briefing, and a briefing on EIM year 1 enhancements.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 12:30 p.m.