

GENERAL SESSION MINUTES
EIM TRANSITIONAL COMMITTEE MEETING
August 26, 2014
NV Energy
Las Vegas, Nevada

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The Energy Imbalance Market Transitional Committee, an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 2:15 p.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
Dede Hapner
Natalie Hocken, via teleconference for a portion of the meeting
Travis Kavulla
Kevin Lynch
Mark Smith
Walter Spansel
Robert Weisenmiller, via teleconference for a portion of the meeting
Carl Zichella

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON GENERAL SESSION MINUTES

Committee member Zichella moved for approval of the EIM Transitional Committee's general session minutes for the July 1, 2014 meeting. The motion was seconded by Committee member Spansel and approved 9-0-0.

CHAIR REPORT

Chair Wagner provided an overview of committee activities and stated the committee was contemplating the formation of two working groups: technical and governance. Ms. Wagner noted that the Committee Charter would govern the rules of procedure for committee business. She announced that they were working on some technical difficulties associated with the audio line and apologized for any inconvenience.

BRIEFING ON ENERGY IMBALANCE MARKET

Mark Rothleder, Vice President, Market Quality and Renewable Integration, informed the committee that implementation of the energy imbalance market was on schedule. He provided an overview of recent coordination efforts underway between the ISO and PacifiCorp. Mr. Rothleder next provided an overview of market simulation and operational readiness. He described how market simulations provided participants an opportunity to test their systems and procedures in advance of the market implementation. He discussed the benefits of providing a hands-on environment to allow participants to interact with new and unique features and functionalities. Discussion followed regarding transfer capabilities.

Mr. Rothleder stated that in addition to EIM, the fall 2014 release included the full network model expansion, outage management system replacement and other market refinements. He noted that initial testing indicated successful communication between the two balancing authorities. Mr. Rothleder informed the committee that operational readiness was progressing, including testing of approximately 35 operational scenarios. He provided an overview of preparations that were ongoing for internal go-live activities. Mr. Rothleder next discussed associated challenges and emphasized that reliability would remain top priority. Discussion followed and the committee inquired as to what happens if it is determined that an October 1 go-live date cannot be met. Mr. Rothleder responded that it depended on what the issue was and that the ISO was prepared to address as necessary. Discussion followed regarding lessons learned from others and the status of settlements testing.

John Anders, Lead Counsel, provided an update on recent regulatory filing activities. Mr. Anders stated that compliance with FERC's June 19 orders was underway and that the go-live enhancements approved by the Board were filed with FERC on July 23. He stated that the PacifiCorp and NV Energy agreements in support of 2014 and 2015 implementations were on track.

Mr. Rothleder next provided an overview of the EIM benefits tracking process. He described how the ISO will be tracking EIM regional benefits and will provide quarterly reports to stakeholders. He described how the EIM benefit was the difference between EIM dispatch cost and counterfactual without EIM dispatch. He noted that in the future, the ISO would explore tracking other possible metrics associated with things such as over-generation, negative prices and renewable production. Mr. Rothleder further

described cost savings areas including how EIM may result in less flexible ramping needs and allow flexible ramping between regions, reducing overall flexibility procurement costs. Discussion followed and Mr. Rothleder stated that a methodology paper would be posted to the ISO website soon.

BRIEFING ON ISO STAKEHOLDER PROCESS

Stacey Crowley, Director – Regional Affairs, provided the committee with a briefing on the ISO stakeholder process and emphasized that stakeholder input was essential and often critical to the ISO. She described how the process typically involved policy development, initial outreach, stakeholder input, revisions, development of final proposal and ultimately Board decision. Ms. Crowley noted that tariff or other documents, such as business practice manuals, might need to be revised to correspond with the Board-approved proposal. She described how in those circumstances, the process would involve tariff development, initial outreach, stakeholder input, revisions, development of final proposal and submission to FERC for decision. Ms. Crowley noted that FERC acceptance might include stakeholder comments, conditions or changes for implementation. Brief discussion followed and Chair Wagner confirmed that the committee would be using a form of the ISO stakeholder process to develop the governance proposal.

ADJOURNED

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