

**GENERAL SESSION MINUTES
BOARD OF GOVERNORS MEETING
GENERAL SESSION
June 30, 2015
Teleconference**

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The ISO Board of Governors convened the general session teleconference meeting at approximately 11:00 a.m. and the presence of a quorum was established via roll call.

ATTENDANCE

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

Richard Maullin, Chair
Ash Bhagwat
Angelina Galiteva
Dave Olsen

The following members of the executive team were present: Steve Berberich, Mark Rothleder, Keith Casey, Ryan Seghesio and Roger Collanton.

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON PEAK RELIABILITY COORDINATOR FUNDING PROPOSAL

Denise Walsh, Controller, provided an overview of Management's Peak Reliability Coordinator funding proposal and described the new billing process for reliability coordinator services. Ms. Walsh stated that based on the FERC approved bifurcation of WECC, the annual reliability coordinator charges would no longer be pass-through charges to the ISO as part of the annual NERC/WECC billing process. She noted that Peak, the independent company that performs reliability coordinator services, would bill the ISO directly effective November 2015. Ms. Walsh explained that the proposed Peak billing process is generally consistent with the one currently in place for the pass-through of NERC/WECC charges, with the exception of one change to address a payment default situation. She next provided an overview of the proposed payment

default provision. Ms. Walsh concluded her presentation by discussing the stakeholder process and noted there was general support for the proposal. Brief discussion followed.

There was no public comment on this item.

Motion

Governor Bhagwat:

Moved, that the ISO Board of Governors approves the proposal to amend the tariff to establish settlement and payment processes for reliability coordinator charges from Peak Reliability, as described in the memorandum dated June 24, 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 4-0-0, via roll call.

DECISION ON LINCOLN OPERATIONS CENTER BUDGET

Matt Turner, Director, IT Enterprise Support and Campus Operations, provided of Management's request for funding to design, permit, construct, and occupy a new back-up operations center in Lincoln, California. Mr. Turner stated the lease at the existing Alhambra back-up facility would expire in August 2017 and explained that the existing back-up facility would not meet the ISO's future needs. He next discussed the internal review process and the determination that the Lincoln location would adequately meet the needs for the ISO's business continuity while providing a superior alternative to the existing Alhambra facility.

Ryan Seghesio, Chief Financial Officer and Treasurer, provided an overview of the budget piece and stated the overall budget for the Lincoln operations center project, including building and moving costs, was \$30.4 million. Mr. Seghesio provided an overview of the design-build solicitation process and noted that based upon this review, Management would be recommending to the Board a reputable design-build team as the contractor for the project. He stated that the project would be funded entirely from existing capital reserves and that no additional debt financing would be required. Brief discussion followed regarding the use of existing Alhambra equipment at Lincoln location.

There was no public comment on this item.

Motion

Governor Bhagwat:

Moved that the ISO Board of Governors approves the capital project budget of \$30.4 million for the purpose of constructing the Lincoln operations center and related costs.

The motion was seconded by Governor Galiteva and approved 4-0-0, via roll call.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 11:20 a.m.