

GENERAL SESSION MINUTES

ISO BOARD OF GOVERNORS MEETING

May 22, 2025

Hybrid: ISO Folsom headquarters and web conference

May 22, 2025

The ISO Board of Governors convened the general session meeting at approximately 9:30 a.m. and the presence of a quorum was established.

ATTENDANCE

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

Severin Borenstein, Chair
Joseph Eto, Vice Chair
Angelina Galiteva
Mary Leslie
Jan Schori

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON THE GENERAL SESSION MINUTES

Governor Leslie moved for approval of the ISO Board of Governors general session minutes for the March 26, 2025, meeting. The motion was seconded by Governor Schori and approved 5-0.

CEO REPORT

Elliot Mainzer - President and CEO, provided highlights from his CEO report, which included updates on the following: ISO's summer readiness activities and release of the 2025 Summer Loads and Resources Assessment; extended day-ahead market (EDAM) congestion revenue allocation initiative; Federal Energy Regulatory Commission's approval of the West-Wide Governance Pathways tariff amendments; Senate Bill 540 legislation in support of the West-wide Governance Pathways initiative; the 2024-2025 Transmission Plan; gas and electric coordination activities; and the western energy imbalance market first quarter 2025 benefits. Brief discussion ensued.

WEM GOVERNING BODY CHAIR UPDATE

Rob Kondziolka, WEM Governing Body Chair, provided his perspectives on the WEM Governing Body's priorities going forward, first noting that implementation of the EDAM remains to be their top priority. Chair Kondziolka noted the importance of the congestion revenue allocation initiative as it relates to the EDAM and noted that monitoring and data analysis, post implementation, will be critical for future refinements. Chair Kondziolka noted the importance of the Regional Issues Forum's engagement in the ISO's initiative prioritization process and concluded by noting that the seams and load biasing issues should continue to be discussed in various stakeholder forums. Brief discussion ensued.

DECISION ON THE ENERGY MANAGEMENT SYSTEM UPGRADE PROJECT FUNDING REQUEST

Khaled Abbul-Rahman – Vice President, Chief Information and Technology Officer, provided an overview of Management's proposal for the energy management system upgrade project funding request. Mr. Abdul-Rahman emphasized the need to upgrade the energy management system (EMS) and noted its advantages to ISO mission critical systems. He then reviewed the funding needed to cover the upgrade which amounted to \$19.5 million to cover the vendor contract and internal development costs. Discussion ensued.

Public Comment

No public comment was offered at this time.

Motion

Governor Galiteva:

Moved, that the ISO Board of Governors approves the capital project budget of \$19.5 million for the energy management system upgrade project, as described in the memorandum dated May 14, 2025.

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

DECISION ON SUBSCRIBER PARTICIPATING TRANSMISSION OWNER MARKET SCHEDULING OPTIONS

Roger Collanton – Vice President, General Counsel and Chief Compliance Officer, acknowledged the public comment letter received from Pattern Energy.

Riddhi Ray – Manager, Regulatory Contracts, provided an overview of Management's proposal on the subscriber participating transmission owner market scheduling options proposal. Mr. Ray first provided background about the initiative noting that the current existing contract rights model is workable but inefficient. He then noted that the current proposal would provide an option allowing the subscriber to convert their subscriber rights to congestion

revenue rights. Mr. Ray provided an overview of stakeholder comments noting that a majority supported the proposal, although two stakeholders raised concerns about the components of the non-subscriber usage payment. Mr. Ray concluded by noting that by providing the congestion revenue rights option and pausing the non-subscriber import usage charge and payment for two years to allow time to determine the impact of a portion of the non-subscriber usage payment, the proposed approach will enable the ISO to improve connectivity across the west. Discussion ensued.

Adam Swadley – Manager, Market and Policy Analysis, provided comments on behalf of the Department of Market Monitoring. Mr. Swadley noted that Department of Market Monitoring supports the proposal and encourages the ISO to monitor the impacts of the two-year suspension of the import usage payment and address any concerns in a future initiative.

Public Comment

The following provided comments:

- Scott Ranzal on behalf of Pacific Gas and Electric

Further discussion ensued and Management provided responsive comments to Board inquiries.

Motion

Governor Borenstein:

Moved, that the ISO Board of Governors approves the proposed subscriber participating transmission owner market scheduling options, as described in the memorandum dated May 14, 2025; 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, 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 Eto and approved 5-0.

DECISION ON 2024-2025 TRANSMISSION PLAN

Roger Collanton – Vice President, General Counsel and Chief Compliance Officer, acknowledged the public comment letters received from City and County of San Francisco, City of Palo Alto Utilities Department, Silicon Valley Power, and Alameda Municipal Power.

Jeff Billinton – Director, Transmission Infrastructure Planning, presented the draft 2024-2025 Transmission Plan. Mr. Billinton briefly introduced the topic noting that for the first time, the ISO has extended the annual planning process to a 15-year planning horizon by request of the state legislature. Mr. Billinton noted that the proactive and coordinated strategic direction reflected in this year's transmission plan continues to align with the Memorandum of Understanding between the California Public Utilities Commission, California Energy Commission, and the ISO that was signed in December 2022. He then noted that load forecasts are increasing in pace and scale each year. Next, Mr. Billinton highlighted the CPUC and local regulatory authority resource portfolios, which are the basis of the transmission plan, and that the transmission plan continues to use a zonal approach to enable clear direction and prioritization. Mr. Billinton noted that studies are also a coordinated part of the transmission planning process.

Next, Mr. Billinton reviewed the list of recommended reliability-driven projects noting recommended actions for projects that have been placed on hold from the previous planning cycle. He also noted that there are no economic driven projects recommended in the 2024-2025 Transmission Plan. Mr. Billinton stated that the transmission plan pays significant attention to uses of grid enhancing technologies. He then provided an overview of the FERC Order No. 1000 interregional coordination process, followed by a summary of stakeholder comments received in the transmission planning process. Mr. Billinton concluded by summarizing Management's recommendations for Board approval of the plan, which include the following: 31 recommended projects totaling \$4.8 billion, two reliability driven projects recommended for competitive procurement, and the ISO's plan to continue exploration of the Warnerville-Newark transmission expansion project submitted by Hetch Hetchy Water and Power as a possible extension of the 2024-2025 planning cycle.

Neil Millar – Vice President, Transmission Planning & Infrastructure Development, provided responsive comments to the stakeholder letters.

Public Comment

The following individuals provided comments:

- Barbara Hale on behalf of the City and County of San Francisco (Hetch Hetchy)
- Heena Singh on behalf of California Environmental Justice Alliance
- Ed Shikada on behalf of the City of Palo Alto
- Susan Schneider on behalf of the Large-scale Solar Association
- Scott Ranzal on behalf of Pacific Gas and Electric
- Ashley Hernandez on behalf of Communities for a Better Environment

Discussion ensued and Management responded to various inquiries from the Board and provided responsive comments to public commenters.

Motion

Governor Eto:

Moved, that the ISO Board of Governors approves the ISO's 2024-2025 Transmission Plan attached to the memorandum dated May 14, 2025.

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

BRIEFING ON SUMMER LOADS AND RESOURCES ASSESSMENT

Aditya Jayam Prabhakar – Director, Resource Assessment and Planning, provided a briefing on the 2025 summer loads and resources assessment. Mr. Prabhakar started with an overview of the 2025 summer outlook, including the added resources as well as the load and weather forecasts. Mr. Prabhakar highlighted the two models used to evaluate summer reliability needs, which include a probabilistic assessment and a multi-hour stack analysis. He then noted that the weather forecast shows an increased chance of above normal temperatures across the West; however, lower chances of above normal temperatures on the California coast. Mr. Prabhakar concluded by noting that state reliability reserves and coordination with neighboring balancing areas help support reliability during extreme events. Brief discussion ensued.

Public comment

The following offered public comment:

- Ed Smeloff on behalf of the Center for Energy Efficiencies and Renewable Technologies

INFORMATIONAL REPORTS

There were no comments on the informational reports.

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNED

There being no additional general session matters to discuss the general session was adjourned at approximately 12:20 p.m.