

GENERAL SESSION MINUTES ISO BOARD OF GOVERNORS MEETING March 17, 2022 Teleconference

March 17, 2022

The ISO Board of Governors convened the general session meeting at approximately 9:00 a.m. and the presence of a quorum was established.

ATTENDANCE

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

Ash Bhagwat, Chair
Mary Leslie, Vice Chair
Severin Borenstein
Angelina Galiteva
Jan Schori

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There was no public comment.

DECISION ON THE GENERAL SESSION MINUTES

Governor Schori moved for approval of the ISO Board of Governors general session minutes for the December 17, 2021, meeting. The motion was seconded by Governor Galiteva and approved 5-0.

CEO REPORT

Elliot Mainzer, President and CEO, provided highlights of the following sections of his CEO report: 20-year transmission outlook, 10-year transmission plan, extended day-ahead market, WEIM Governance Review Committee, summer readiness, WEIM market implementations, storage enhancements, cyber security and a return to building update.

WEIM GOVERNING BODY CHAIR REPORT

Anita Decker, Chair of the WEIM Governing Body, provided highlights of the WEIM Governing Body's March 15, 2022, general session meeting that included briefings from the

Body of State Regulators and the Regional Issues Forum, and an update on WEIM implementations. Ms. Decker reported that representatives from the City of Tacoma and Avista Corporation provided comments related to the success of their recent implementations into the WEIM.

Next, Ms. Decker informed the Board that the WEIM Governing Body provided an update on the market expert selection process. She reported that the process was underway with interviews taking place in March and April, 2022.

DECISION ON ISO 2021 – 2022 TRANSMISSION PLAN

Roger Collanton, Vice President, General Counsel and Chief Compliance Officer, acknowledged receipt of the following public comment letter and noted they had been provided to the Board: Silicon Valley Power, Santa Clara Valley Open Space Authority, LS Power, City of San Jose, and Golden State Clean Energy.

Jeff Billinton, Director, Transmission Infrastructure Planning, provided the Board an overview of the proposed transmission plan. He noted that the ISO continued to be focused on costs, and that the recommendations were based on the long-term effectiveness and efficiency of solutions. Mr. Billinton provided an overview of the ISO's annual transmission study process. He stated that a combination of dramatically increasing pace of renewable generation and load forecast growth are driving an increase in transmission. He provided an overview of the following categories of projects: reliability driven, policy driven and economic driven. He stated that 16 reliability driven projects were identified totaling \$1.412 billion, and that six new category 1 policy driven transmission needs were identified totaling \$1.512 billion. He stated that one new project was identified as needed for an economic driven project totaling \$40 million. Discussion followed.

Next, Mr. Billinton provided an overview of the ISO's draft 20-year transmission outlook that provides a longer-term view of transmission needed to reliably meet the state's clean energy goals. Mr. Billinton noted that while stakeholders were generally supportive of the reliability, policy and economic assessments, concerns remained. Mr. Billinton provided an overview of the remaining concerns. Mr. Billinton concluded by requesting the Board approve the proposed 23 transmission projects totaling \$2.964 billion, with four being eligible for competitive procurement.

Public Comment

The following attendees provided public comment:

Manuel Pineda on behalf of the City of Santa Clara, Silicon Valley Power
Jim Caldwell on behalf of the City of San Jose
Jin Noh on behalf of the California Energy Storage Association
Christine Cowser on behalf of Pacific Gas and Electric
Caitlin Liotiris on behalf of American Clean Power - California
John King on behalf of LS Power

Discussion ensued and Mr. Millar and Mr. Billinton responded to various inquiries from the Board.

Motion:

Governor Borenstein

Moved, that the ISO Board of Governors approves the ISO 2021-2022 transmission plan attached to the memorandum dated March 9, 2022.

The motion was seconded by Vice Chair Leslie and approved 5-0.

DECISION ON CENTRAL PROCUREMENT ENTITY IMPLEMENTATION AND RESOURCE ADEQUACY AVAILABILITY INCENTIVE MECHANISM SETTLEMENT MODIFICATION

Partha Malvadkar, Principal – Resource Adequacy – Infrastructure and Grid Enhancements, provided an overview of the following recommendations: (1) Change the ISO tariff to shift local resource adequacy obligations from load serving entities to a central procurement entity in time for CPUC implementation in resource adequacy year 2023, (2) modify the cap for system and local resource adequacy obligations in the monthly time frame, and (3) reform the resource adequacy availability incentive mechanism (RAAIM) settlement changes to meet FERC obligations and resolve financial liability. Mr. Malvadkar stated that while stakeholders generally supported the RAAIM settlement modification, one stakeholder representing generators opposed the elimination of the monthly rollover, and advocates that the ISO should prioritize paying refunds of RAAIM penalties rather than paying incentives.

Public comment

The following attendees provided public comment:

Brian Theaker on behalf of Middle River Power
Carrie Bentley on behalf of Western Power Trading Forum

Discussion ensued regarding the proposed RAAIM settlement modification. The Board requested that Management revisit that portion of the proposal at a later date, and modify the motion accordingly to address only the central procurement entity element of the proposal.

Motion:**Chair Bhagwat**

Moved, that the ISO Board of Governors approve the central procurement entity implementation, as described in the memorandum dated March 8, 2022, as discussed at the March 17, 2022 general session meeting of the Board of Governors; and

Moved, that the ISO Board of Governors authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal as described, 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 Schori and approved 5-0.

DECISION ON AUTHORIZATION OF SETTLEMENT RECALCULATIONS

Heather Kelley, Director – Operations Services – Compliance and Analysis, provided the Board with a background summary and an overview of Management’s request for the Board to authorize out-of-time T+36 months invoices for August and September 2018. Ms. Kelley described how this would enable the ISO to distribute incentive payments collected under the resource adequacy availability incentive mechanism to the parties that would have received those payments had the ISO published thirty-six-month settlement statements for August 2018 and September 2018. She informed the Board that the identified process gap with regard to the ISO’s manual error has been resolved, and that this authorization would not result in any incremental costs to market participants. Brief discussion followed.

Public comment

There was no public comment.

Motion:**Governor Galiteva**

Moved, that the ISO Board of Governors directs Management to perform unscheduled directed recalculation settlement statements as necessary and appropriate to distribute the pool of funds described in the memorandum dated March 9, 2022.

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

INFORMATIONAL REPORTS

There were no comments on the following informational reports: Regulatory report, State, regional and federal affairs update, Market Surveillance Committee update, Business practice manual change management report, Department of Market Monitoring update, market initiatives update, and annual investment report.

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 11:30 a.m.