

Board Energy Resources & Customer Services Committee Meeting and Special SMUD Board of Directors Meeting

Date: Tuesday, August 15, 2023

Time: Immediately following the Finance & Audit Committee meeting scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

AGENDA
BOARD ENERGY RESOURCES & CUSTOMER SERVICES
COMMITTEE MEETING
AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Tuesday, August 15, 2023

SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California

Immediately following the Finance & Audit Committee Meeting and Special SMUD
Board of Directors Meeting scheduled to begin at 6:00 p.m.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Energy Resources & Customer Services Committee will review, discuss and provide the Committee's recommendation on the agenda items.

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
http://smud.granicus.com/ViewPublisher.php?view_id=16

Zoom Webinar Link: [Join Energy Resources & Customer Services Committee Meeting Here](#)

Webinar/Meeting ID: 160 213 3014

Passcode: 408773

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Registering in advance of a meeting by sending an email to PublicComment@smud.org, making sure to include the commenter's name, date of the meeting, and topic or agenda item for comment. Microphones will be enabled for virtual or telephonic attendees at the time public comment is called and when the commenter's name is announced.
- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting.

Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEM

1. Jon Olson Authorize the Chief Executive Officer and General Manager to negotiate and execute all agreements necessary to facilitate SMUD's participation in the **California Independent System Operator Corporation (CAISO) Extended Day-Ahead Market (EDAM)**.
Presentation: 20 minutes
Discussion: 25 minutes

INFORMATIONAL ITEMS

2. Public Comment
3. Brandon Rose Summary of Committee Direction.
Discussion: 1 minute

FOLLOWING ADJOURNMENT OF THE FOREGOING ENERGY RESOURCES & CUSTOMER SERVICES COMMITTEE AND SPECIAL SMUD BOARD OF DIRECTORS MEETING, A SPECIAL MEETING OF THE FOLLOWING JOINT POWERS AGENCY WILL CONVENE:

SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

SSS No.

ETC 23-022

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
ERCS - 08/15/23
Board Meeting Date
August 17, 2023

TO				TO						
1.	Frankie McDermott	6.		7.		8.				
2.	Brandy Bolden	9.	Legal	10.	CEO & General Manager					
3.	Lora Anguay									
4.	Suresh Kotha									
5.										
Consent Calendar	<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR)	DEPARTMENT			MAIL STOP	EXT.	DATE SENT				
Jon Olson	Energy Trading & Contracts			A404	7378	7/14/2023				

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager, or his delegate, to negotiate and execute all agreements necessary to facilitate SMUD’s participation in the **California Independent System Operator Corporation (CAISO) Extended Day-Ahead Market (EDAM)**.

Summary: The Balancing Authority of Northern California (BANC) retained consultants, as well as utilized SMUD staff, to study and evaluate the costs and benefits of joining the EDAM operated by the CAISO. The CAISO’s EDAM builds on the existing real-time Western Energy Imbalance Market (EIM), by providing a day-ahead market to increase regional coordination, support energy policy goals, and meet demand cost-effectively.

Based on the results of BANC’s evaluation, staff recommends participating in EDAM as the market will not only provide additional decarbonization, economic and operational/reliability benefits, but will also build on the favorable working partnership between SMUD and CAISO, and the broader Western region. Due to SMUD’s existing participation in the Western EIM since 2019, it is feasible for SMUD to implement EDAM through BANC as the host Balancing Authority. Following the BANC Commission’s authorization to participate in EDAM, SMUD would then proceed with implementation efforts and negotiating the needed agreements to join the EDAM as early as the 2025-2026 timeframe.

There are three key components driving this recommendation:

- Decarbonization – Regional markets, such as EDAM, supports both SMUD’s local zero-carbon goals as well as regional goals by providing broader access to regional renewable energy resources.
- Economic Benefit – EDAM provides economic redispatch which allows for the lowest possible cost in serving load. It is conservatively estimated participation in EDAM will result in an incremental net benefit over EIM benefits of \$5M annually for SMUD ratepayers. There is an estimated \$3.5M one-time implementation cost.
- Reliability Benefit – While BANC will retain its obligation to meet North American Electric Reliability Corporation (NERC) standards for the BANC Balancing Authority Area, energy dispatch will occur over the regional footprint. This allows market participants to take advantage of the natural diversity provided by time zones, individual entity net peaks, and resource types (wind, solar, geothermal, hydro, etc.).

Board Policy: Strategic Direction SD-1B, Vision Statement, by adopting an innovative solution to achieve lower cost energy for its customers, improve the environment and the reduction of its carbon footprint; Strategic Direction SD-2, Competitive Rates, by providing access to a new market with opportunities for SMUD to both lower its procurement costs during certain hours and increase its market sales; Strategic Direction SD-7, Environmental Leadership, by reducing SMUD’s reliance on its thermal resources and thereby helping to reduce SMUD’s carbon footprint; Strategic Direction SD-9, Resource Planning, by providing a

contribution to SMUD's Renewable Portfolio Standard (RPS) goals by enhancing SMUD's ability integrate renewable and net carbon free resources.

Benefits: Greater access to regional markets and renewable energy; expanded opportunities for market sales and purchases with expected financial benefits to SMUD customers; ability to partner with the CAISO and other entities in the region to address renewable integration and carbon reduction challenges; greater alignment with the State's energy policy objectives.

Cost/Budgeted: It is currently estimated there will be a one-time implementation cost of \$3.5M. Operations and Maintenance (O&M) costs will be included in future SMUD budgets closer to the go-live date once that date is determined.

Alternatives: Status quo – participate in EIM as-is. This option has risk in that it is expected most Western entities will join a structured Day-Ahead market. This risk includes economic and reliability risks.

Affected Parties: Zero Carbon, Grid Operations, Resource Planning, Finance, Legal, BANC, BANC Members; CAISO; Western Area Power Administration (WAPA), CAISO EIM/EDAM Participants

Coordination: Energy Trading & Contracts

Presenter: Jon Olson, Director, Energy Trading & Contracts

Additional Links:

SUBJECT

SMUD Participation in the CAISO Extended Day-Ahead Market (EDAM)

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
BOD 2022-021

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date 2023
Board Meeting Date N/A

TO	TO
1. Frankie McDermott	6.
2. Suresh Kotha	7.
3. Brandy Bolden	8.
4. Lora Anaguay	9. Legal
5.	10. CEO & General Manager

Consent Calendar		Yes	x	No <i>If no, schedule a dry run presentation.</i>	Budgeted		Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Brandon Rose / Special Assistant to the Board	DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 12/27/22	

NARRATIVE:

Requested Action: A summary of directives provided to staff during the committee meeting.

Summary: The Board requested an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agenda opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: Included in budget

Alternatives: Not summarize the Board's requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Special Assistant to the Board

Presenter: Brandon Rose, ERCS Chair

Additional Links:

SUBJECT Summary Of Committee Direction – ERCS	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.