



GENERAL SESSION MINUTES

Operations

Committee Meeting

October 18, 2005

ISO Headquarters

Folsom, California

Committee Chairman, Ed Cazalet, called the meeting to order. Roll call was taken and the presence of a quorum was noted.

ATTENDANCE

The following Committee members were in attendance:

Ed Cazalet

Tim Gage

The following Board members were in attendance:

Ken Wiseman

Mason Willrich

Elizabeth Lowe

GENERAL SESSION

The following agenda items were discussed in General Session:

PUBLIC COMMENT

Barbara Barkovich, PhD, representing the California Large Energy Consumers Association, spoke regarding the implementation of MRTU.

Ziad Alaywan, representing ZGlobal Engineering & Energy Solutions, spoke regarding perceived implementation risks associated with the California electricity market design (aka MRTU).

Katie Kaplan, Manager of State Policy Affairs, Independent Energy Producers Association, spoke regarding a letter that was sent to the ISO articulating their support for the implementation of MRTU, in particular supporting the February 2007 implementation date.

Carolyn Kehrein, commenting on behalf of the Energy Users Forum (EUF), end users, and end user trade associations, provided a summary and recommendation regarding ISO's proposed CRR Allocation – Alternative B solution. Ms. Kehrein suggested that Alternative A downplays concerns that had been expressed during the process.

Tony Braun, Counsel, California Municipal Utilities Association, spoke regarding CRR “brass tacks”; policy issues, schedule, and system implementation – CMUA urges the ISO to take a prudent approach, including phasing opportunities, as MRTU moves forward.

Kevin Smith, representing SMUD, spoke regarding Mr. Alaywan's presentation. He reiterated that SMUD became involved with this issue due to bilateral contracts and their reliance on the ISO grid.

APPROVAL OF GENERAL SESSION MINUTES

Governor Gage moved for the approval of General Session Minutes from September 7, 2005. Motion seconded by Governor Cazalet and approved, 2-0-0.

REVIEW OF PRELIMINARY ISO SUMMER 2006 LOADS & RESOURCES OUTLOOK

Kevin Graves, ISO Transmission Assets, presented a Summer 2005 Review as well as a Summer 2006 Load and Resource Outlook. The illustrations provided were preliminary. The ISO will work with the CEC over the next several weeks to reconcile respective forecasts in preparation for the detailed Summer 2006 Assessment.

MARKET REDESIGN & TECHNOLOGY UPGRADE (MRTU) PROGRAM UPDATE

REVIEW PROGRAM STATUS

Brian Rahman, ISO Manager of Program Office and MRTU Program, presented an update on the progress of the various MRTU projects. The Accenture PMO transition began effective October 3, 2005. Schedule evaluations and consolidation, scope assessments, and mitigation and backup options are under consideration by the team. Settlements continues to be an area of concentration. Yakout Mansour, ISO President and Chief Executive Officer, stressed the importance of applied focus to ensure the project stays on track.

MONTHLY REPORTS

MARKET MONITORING REPORT

Greg Cook, ISO Manager of Market Monitoring and Reporting, presented the monthly Market Monitoring Report. Mr. Cook highlighted the unusually long periods of high loads experienced in July, which subsided after the first week of August. He discussed the natural gas prices impacting the current markets.

SPECIAL REPORT: REVIEW ASSESSMENT OF REAL-TIME MARKET APPLICATION (RTMA) PERFORMANCE

Eric Hildebrandt, PhD, ISO Manager of Analysis and Mitigation, provided the Committee an overview of the assessment conducted by Market Monitoring specific to RTMA performance. RTMA is the new real-time dispatch software and rules implemented as part of MRTU Phase 1B in October 2004. RTMA replaced the

BEEP software. Key changes incorporated into RMTA include: market clearing of extra inc/dec bids after ISO system needs are met; enhanced automated treatment of unit operating constraints, providing for more feasible dispatch instructions; 5 minute vs. 10 minute dispatch intervals; and market clearing prices (MCP) set by marginal bid needed to balance system each interval.

Further studies will be conducted to identify potential enhancements that could improve performance. Metrics have been developed to assess changes in performance over time. The Committee recommended that performance monitoring of this particular segment of MRTU continue until full implementation.

MANAGEMENT'S RESPONSE TO THE MARKET MONITORING REPORT ON RTMA

Mark Rothleder, ISO Principal Market Developer, provided ISO management's response to the RTMA assessment. Mr. Rothleder suggested that the implementation of RTMA is a creditable first step in resolving many identified concerns. As indicated by Dr. Hildebrandt, the ISO will continue to monitor RTMA for any potential enhancements that may improve performance.

TECHNOLOGY STATUS REPORT

Daniel Yee, ISO Acting CIO and Vice President of Information Services, provided an update related to ISO's Computing Services RFP. Due to last minute contractual issues, the RFP team hereby requested a delay in reporting the final outcome until the next scheduled Committee meeting.

OPERATIONS REPORT

Nancy Traweek, ISO Director of Operations Support, presented the monthly Operations Report. Mrs. Traweek highlighted notable Operations events including the staffing of the Alhambra Control Center. Staffing is in its final stages, providing for a fully functional backup facility.

TRANSMISSION MAINTENANCE COORDINATION COMMITTEE (TMCC) REPORT

Tom French, ISO Manager of Grid Assets, provided the Committee an informational overview of the TMCC. By FERC order, in 1997, the TMCC was established to help the ISO develop, review, and revise ISO Transmission Maintenance Standards. Formal voting membership is appointed by the ISO Board of Governors and includes: the ISO; PTO's subject to the ISO Transmission Maintenance Standards; two positions from labor organizations; five other stakeholder organizations – for a total of twelve members. The TMCC has the opportunity to address transmission maintenance issues, providing stakeholder and public access to the process.

NEW GENERAL SESSION BUSINESS ISSUES AND FUTURE AGENDA ITEMS

None discussed.

CLOSING

There being no further business, the Committee meeting was adjourned.