

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING March 23, 2021 Teleconference

March 23, 2021

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 3:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the Market Surveillance Committee were in attendance via teleconference:

Benjamin Hobbs, Chair
James Bushnell
Scott Harvey

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There were no public comments received.

DRAFT OPINION ON RESOURCE ADEQUACY ENHANCEMENTS PHASE 1: MINIMUM STATE OF CHARGE REQUIREMENTS

Committee Chair Hobbs explained the Market Surveillance Committee was asked to comment on specific elements of the resource adequacy enhancements phase 1 initiative for summer 2021 readiness. He advised that, in their opinion, the MSC addressed the element of minimum state-of-charge requirement for storage facilities under contract to provide resource adequacy in the ISO market. Chair Hobbs added that the requirement would only be imposed under specified conditions. Next, Chair Hobbs provided background and summarized the MSC's analysis on some of the key features of the minimum state-of-charge requirement.

Discussion ensued and Greg Cook, Executive Director – Market and Infrastructure Policy, reported that the ISO had made a small modification to the proposal, which stated the ISO would impose the minimum state-of-charge when there was a residual unit

commitment infeasibility and that operators would have the flexibility to release if system conditions did not improve. He added that operators would not have the ability to impose the minimum state-of-charge if there was not residual unit commitment infeasibility.

Chair Hobbs noted the MSC believed imposing the minimum state-of-charge constraint in rare conditions was a reasonable precaution to take until the end-of-the-hour state-of-charge parameter feature was enabled and tested in operation.

To conclude, Chair Hobbs stated the ISO had agreed to develop an auction for state-of-charge. He noted that the objective was to give more flexibility to storage and would take into account opportunity costs. Chair Hobbs noted there could be several challenging conceptual and practical issues in the design and that by adding an auction could yield unanticipated consequences. He added that the scarcity pricing enhancements initiative represented a more fundamental reform that would better achieve the objective.

Discussion ensued regarding the motion language. Chair Hobbs stated he wanted to make an amendment to the opinion by adding a footnote referencing the ISO's modification to the final draft proposal. Chair Hobbs read the motion as follows.

Motion

Committee member Hobbs:

Moved, that the Market Surveillance Committee, an advisory committee to the ISO Board of Governors, adopts the "Opinion on Resource Adequacy Enhancements Phase I: Minimum State of Charge Requirements"

The motion was seconded by Committee member Harvey and approved 3-0.

FUTURE AGENDA ITEMS

There were no items to discuss.

ADJOURNED

There being no additional general session matters to discuss, the session was adjourned at approximately 3:30 p.m.