

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING January 18, 2019 Offices of the ISO Teleconference

January 18, 2019

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session meeting via teleconference at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

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

Benjamin Hobbs, Chair
James Bushnell
Scott Harvey

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

There was no public comment.

DRAFT OPINION ON INTERTIE DEVIATION SETTLEMENT – DISCUSSION AND ADOPTION OF OPINION

Committee Chair Hobbs provided background regarding the ISO's intertie deviation settlement proposal and highlighted some of the Committee's concerns. Next, Committee member Harvey provided a summary of key elements of the Committee's draft opinion. Dr. Harvey explained that the Committee supports the proposed changes overall because the ISO needs to provide incentives for intertie traders to deliver the power scheduled in the hour-ahead scheduling process (HASP), and the present arrangements fail to do so. He stated that it appears likely many HASP transactions are currently undelivered because of deeper price formation issues in ISO markets. He summarized the Committee's concerns regarding charges leading to a potential reduction in the real-time supply offered in the HASP and the proposal's failure to effectively address non-deliveries that are in fact delivered in the form of more lucrative out-of-market purchases rather than HASP

schedules. He concluded that, while on balance the Committee supports the proposal, it recommends the ISO take steps to address underlying price formation issues that contribute to incenting non-delivery. Discussion ensued among Committee members and stakeholders regarding the ISO's proposal and the Committee's draft opinion, and stakeholders generally agreed with the Committee's recommendation that the ISO take steps to address price formation issues.

Motion

Committee member Harvey:

Moved, that the Market Surveillance Committee, an advisory committee to the ISO Board of Governors, adopts the "Opinion on Intertie Deviation Settlements," as modified to correct minor typographical errors.

The motion was seconded by Committee member Bushnell 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 1:35 p.m.