

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING

May 5, 2017 10:00 a.m.

General Session

Offices of the ISO

250 Outcropping Way

Folsom, CA 95630

May 5, 2017

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session at approximately 10:10 a.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 (via telephone)

GENERAL SESSION

The following items were discussed in general session.

PUBLIC COMMENT

No public comment

DECISION ON GENERAL SESSION MINUTES

Motion

Committee member Hobbs:

Moved, that the Market Surveillance Committee, Advisory Committee to the ISO Board of Governors, approve the general session minutes from the February 3, 2017 meeting.

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

BRIEFING ON COMMITMENT COST AND DEFAULT BID ENHANCEMENTS

Cathleen Colbert, Senior Market Design Policy Developer, briefed the Market Surveillance Committee on commitment cost and default bid enhancements. Her presentation presented a comprehensive overview of the principles, issues, and potential changes that could be made. She reviewed experience at other ISOs, and stated the ISO staff's tentative position on several possible proposals.

Discussion ensued between the MSC and stakeholders.

RECESSED

The meeting was recessed at approximately 12:10 p.m. for lunch. Chair Hobbs stated the meeting would reconvene at approximately 1:10 p.m.

BRIEFING ON FLEXIBLE RESOURCE ADEQUACY CAPACITY MUST OFFER OBLIGATION PHASE 2

This session started with a discussion of real-time price formation in the ISO markets, in particular the possible effects of the load bias limiter. Scott Harvey, Member Market Surveillance Committee made a presentation about the possible effects of the load bias limiter on price formation in the EIM 15 minute and 5 minute markets. He defined how the limiter works, summarized Department of Market Monitoring analyses of its impacts, and described potential interactions with the market for flexible ramping products. Ben Hobbs, Chair of the Market Surveillance Committee presented an oral summary of analyses of the impacts of that limiter on 5 minutes prices in the CAISO balancing area for the last three months, finding a significant impact. This analysis is documented in a memo subsequently posted on the MSC website.¹

Discussion ensued between the MSC and stakeholders.

Karl Meeusen, Ph.D, Senior Advisor Infrastructure & Regulatory Policy, also briefed the Market Surveillance Committee on flexible resource adequacy capacity must offer obligation phase 2. He emphasized the reduced scope of the present initiative to focus on short-term enhancements.

Discussion ensued between the MSC and stakeholders

BRIEFING ON GENERATOR CONTINGENCY AND REMEDIAL ACTION SCHEME MODELING

¹www.caiso.com/Documents/Analysis_SelectedEffects_LoadBiasLimiter_CAISO_EIMpricesOctDec2016-Memo-May2017.pdf

Perry Servedio, Senior Market Design & Policy Developer, briefed the Market Surveillance Committee on generator contingency and remedial action scheme modeling. His presentation included descriptions of how the remedial action scheme works, how accounting for it within the energy market could affect prices, and the ISO's present proposal concerning how to model remedial action schemes in the congestion revenue rights market.

Discussion ensued between the MSC and stakeholders.

FUTURE AGENDA ITEMS

Dr. Hobbs announced that the next in person meeting would be tentatively held in July.

ADJOURNED

There being no additional general session matters to discuss, the general session meeting was adjourned at approximately 5:00 p.m.