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**MEETING MINUTES OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO) MARKET SURVEILLANCE COMMITTEE**

**Meeting Date:** September 18, 2009, 10:00 a.m.

**Held at:** California ISO  
101 Blue Ravine Road  
Folsom, CA 95630

**With Simultaneous Meeting Web Cast (Web conference via Internet (visual) and telephone (audio))**

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A joint Market Surveillance Committee (MSC) and stakeholder meeting was held at the time and place referenced above, pursuant to the Public Notice (final released September 16, 2009), posted on the CAISO Web site at <http://www.caiso.com/23c2/23c2c4412f6c0.html> . This meeting was also a joint CAISO stakeholder with regard to topics contained within the Public Notice.

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**COMMITTEE MEMBERS ATTENDING**

Frank Wolak	Committee Chairman
James Bushnell	Committee Member
Benjamin Hobbs	Committee Member
Absences:	None

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**GENERAL SESSION**

Mercy Parker-Helget of External Affairs welcomed participants and began the meeting promptly at 10:00 a.m. with a detailed run down of the agenda. At the conclusion, Ms. Parker-Helget turned the meeting over to Chairman Wolak.

**Public Comment**

Receiving no public Chairman Wolak went on to the first item on the agenda.

**Decision on the July 16, 2009 Minutes**

Chairman Dr. Wolak turned to the agenda item for MSC decision on the meeting minutes for the July 16, 2009 MSC meeting. He noted that this item called for the members to review and approve the meeting minutes.

Upon a motion duly made and seconded to approve the draft meeting minutes for the two meetings, a vote was taken as follows:

Yes: 3  
No: 0



Meeting minutes for the July 16, 2009 meeting were approved.

**Discussion regarding Convergence Bidding**

At the conclusion of the approval of approving meeting minutes the meeting was turned over to Margaret Miller of M&ID. Margaret's presentation focused on the key elements that were recently added to the draft final proposal based on discussions with stakeholders. Added design features include: SC Certification for convergence bidders, GMC allocation for convergence bidders, proposal for convergence bidding at the inter-ties, proposal for bid volume limits, updates to CRR settlement rule, revision to cost allocation proposal and more details regarding the suspension of virtual bids.

This agenda item was a discussion item only and did not require any action be taken by the MSC.

**MPM and Convergence Bidding**

The meeting then proceeded with Dr. Eric Hildebrandt, Interim Director of Market Monitoring, discussing local market power mitigation under convergence bidding.

**CRR Settlement Rule**

After a brief break for lunch, Dr. Hildebrandt presented on the CRR Settlement Rule under Convergence Bidding.

This agenda item was a discussion item only and did not require any action be taken by the MSC.

**Convergence Bidding at Inter-ties**

Gillian Biedler, Senior Market design & Policy Specialist, provided the next presentation discussing convergence bidding on the inter-ties. The ISO proposes that convergence bidding be enabled at the inter-tie points between the ISO's control area and external embedded control areas. The ISO proposes that to add one additional constraint for each inter-tie scheduling point in the scheduling run of the IFM that will not be enforced in the pricing run. The ISO also proposes to enforce in the scheduling run a constraint that requires the net physical schedules across each scheduling point, ignoring the accepted virtual schedules, to be with the established scheduling limit for that scheduling point.

Gillian indicated that in a separate stakeholder process the tagging requirement will be evaluated. Gillian then proceeded to provide some numerical examples to demonstrating how various scheduling run scenarios play out in the pricing run. Next, she outlined the tagging requirements which include: the ISO is considering a tagging requirement for physical inter-tie schedules, there could be incentives to engage in implicit when virtual bidding is available.

This agenda item was a discussion item only and did not require any action be taken by the MSC.



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### **Cost Allocation**

Margaret Miller gave the final presentation of the day, discussing cost allocation.

There being no further business, the Market Surveillance Committee meeting was adjourned at approximately 4:15 p.m.

### ***Executive Session***

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There was no executive session.

The MSC has approved these Minutes of the September 18, 2009 MSC Meeting at the following MSC Meeting:

Date of approval: March 18, 2011