

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING March 8, 2021 Teleconference

March 8, 2021

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session meeting at approximately 2:00 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 MARKET ENHANCEMENTS FOR SUMMER READINESS – DISCUSSION AND ADOPTION OF OPINION

Committee Chair Hobbs explained the Committee was asked to comment on specific elements of the market enhancements for the summer 2021 readiness proposal. He advised that, in their opinion, the MSC addressed three proposed changes to the ISO proposal, as follows: 1) revision of short-term scarcity pricing capabilities, 2) resource sufficiency evaluation tests applied to individual balancing authority areas in the EIM, and 3) bid-cost recovery provisions for block imports that participate in the hour ahead scheduling procedure. Chair Hobbs added the change to the minimum state of charge requirement would be considered as part of the resource adequacy enhancements phase one initiative and changes to load and export priorities would be discussed in April 2021.

Next, Committee member Harvey summarized the revision of short-term scarcity pricing capabilities. He noted the MSC supported the change as a near-term measure to reduce the

likelihood of load shedding, should the ISO encounter high load conditions during the summer. Member Harvey concluded his summary by noting that through software functionality the change could be implemented before the summer.

Next, Committee member Harvey summarized the resource sufficiency evaluation tests applied to individual balancing authority areas in the EIM. He described four factors by which the MSC believed were how the ISO passed the bid range test and emphasized the MSC had not reviewed the details of the bid range calculations. Member Harvey concluded his summary and noted the MSC recommended the ISO verify the accuracy of the software calculations and report their findings to provide additional visibility to EIM participants.

Next, Chair Hobbs summarized the MSC's analysis of make-whole payment provisions for imports in the hour-ahead scheduling procedure. He reviewed the risks to the hour-ahead scheduling procedure schedule and discussed the various options. Next, Chair Hobbs encouraged the ISO to investigate the reasons why importers and intertie owners continued to schedule on an hourly basis. As a long-term enhancement, the MSC encouraged the ISO to consider the implementation of an hour ahead scheduling market with 15-minute prices that would settle all import, export, and internal resource deviations from day-ahead schedules. Discussion followed and Committee member Bushnell offered additional remarks.

Public comment

The following members of the public provided comments on the MSC's draft final opinion:

Dan Williams on behalf of Customized Energy Solutions.

Jerry Melchor on behalf of the California Public Advocates Office.

Motion

Committee member Harvey:

Moved, that the Market Surveillance Committee, an advisory committee to the ISO Board of Governors, adopts the "Opinion on Market Enhancements for Summer 2021 Readiness"

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 2:50 p.m.