

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING

April 19, 2016, 10:00 a.m.

General Session

Offices of the ISO

250 Outcropping Way

Folsom, CA 95630

April 19, 2016

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:

James Bushnell
Scott Harvey
Benjamin Hobbs, Chair

GENERAL SESSION

The following items were discussed in general session.

PUBLIC COMMENT

No public comment

DECISION ON MINUTES

Motion

Committee member Harvey:

Moved, that the Market Surveillance Committee, Advisory Committee to the ISO Board of Governors, approve the general session minutes from the December 11, 2015, January 26, 2016, and February 11, 2016

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

BRIEFING ON CONGESTION REVENUE RIGHTS CLAWBACK MODIFICATIONS

Don Tretheway, Senior Advisor for Market Design and Regulatory Policy, briefed the Market Surveillance Committee, on the Congestion Revenue Rights Clawback Modifications initiative, and noted that this new initiative developed out of the Intertie Liquidity workshop in October of 2015. During that 2015 workshop the ISO identified four key issues: 1) limited generation that will sell 15-minute energy, 2) difficult to include hourly transmission cost in fifteen minute market 3) transmission access charge and uplift charges to exports create additional hurdle and 4) CRR clawback rule always applies to interties schedule changes.

Discussion ensued between the MSC and stakeholders.

BRIEFING ON RELIABILITY SERVICES PHASE 2 & FLEXIBLE RESOURCE ADEQUACY CRITERIA AND MUST OFFER OBLIGATION PHASE 2

Dr. Karl Meeusen, Senior Advisor in Infrastructure Policy, briefed the Market Surveillance Committee on three issues: 1) what requirements and must-offer obligations should be placed on flexible capacity from intertie resources, 2) should effective flexible capacity from pumped storage exclude storage that is subject to discrete dispatches to reduce load, 3) Should the ISO allow resource adequacy resources in a local area but procured as system resource adequacy be allowed to substitute with system capacity to avoid resources adequacy availability incentive mechanism charges.

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.

RECONVENED

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, reconvened the general session at approximately 1:10 p.m. and the presence of a quorum was established.

ALISO CANYON GAS ELECTRIC COORDINATION

Cathleen Colbert, Senior Market Design and Policy developer presented to the MSC potential market mechanisms necessary to support grid reliability due to the Aliso Canyon restrictions.

Discussion ensued between the MSC and stakeholders over likely implementation issues.

DISCUSSION ON REGIONAL TRANSMISSION ACCESS CHARGE

Eric Kim, Market Design and Policy Developer, ran through the four principles proposed by FERC for allocation of TRR: 1) costs must be allocated in such a way that is roughly commensurate with benefits, 2) calculation of benefits is not an exact science, 3) the process for determining benefits and beneficiaries must be transparent 4) broad agreement among affected parties that the cost allocation is fair. Mr. Kim concluded his presentation by discussing the cost allocation to sub-regions based on threshold criteria and a benefits assessment.

Dr. Benjamin Hobbs, chair of the Market Surveillance Committee, gave the final presentation of the day that reviewed the transmission benefit categories and noted the procedures used to quantify the benefit categories. Dr. Hobbs concluded his presentation by offering tentative recommendations if a firm reliability constraint must be met and if there are market benefits, reasonable to allocate costs to beneficiaries.

Discussion ensued between the MSC and stakeholders.

FUTURE AGENDA ITEMS

Dr. Hobbs announced that the next in person meeting would be held tentatively in December or January.

ADJOURNED

There being no additional general session matters to discuss, the general session meeting was adjourned at approximately 4:15 p.m.

The MSC has approved these Minutes of the April 19, 2016 MSC Meeting at the following MSC Meeting: September 19, 2017

Date of approval: