

**GENERAL SESSION MINUTES
MARKET SURVEILLANCE COMMITTEE MEETING****March 23, 2015, 1:00 p.m.****General Session
Teleconference**

March 23, 2015

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

ATTENDANCE

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

James Bushnell
Scott Harvey
Benjamin Hobbs, Chair
Shmuel Oren

GENERAL SESSION

The following items were discussed in general session.

PUBLIC COMMENT

Jeff Nelson, on behalf of Southern California Edison, thanked Dr. Shmuel Oren for his service on the MSC.

DRAFT OPINION ON RELIABILITY SERVICES PHASE 1 AND COMMITMENT COST ENHANCEMENTS PHASE 2

Dr. Hobbs summarized the main elements of the MSC's draft opinion on reliability services phase 1 and commitment cost enhancements phase 2. Dr. Hobbs explained that the MSC was asked to comment on the ISO's two related proposals that speak to the implementation issues for flexible resource adequacy requirements and the guidelines that oversee their offers into the ISO markets. He noted that both initiatives would be presented to the ISO Board in March.

Dr. Oren provided comments regarding the use of one penalty versus two penalties, and emphasized the use of premiums for flexible capacity and performance penalties as blunt instruments. He noted that the MSC hopes the energy market would provide the incentive for providing flexibility.

Public comment

Michelle Kito, on behalf of the California Public Utilities Commission, provided comments and posed a few clarifying questions regarding the commitment costs enhancements phase 2.

Discussion ensued between the MSC and Ms. Kito regarding contractual provisions and opportunity cost bidding discussed the opinion. Brief discussion followed.

Motion

Committee member Dr. Bushnell:

Moved, that the Market Surveillance Committee, Advisory Committee to the Board of Governors of the California Independent System Operator Corporation, adopt the draft opinion titled "Reliability Services Phase 1 and Commitment Costs Enhancements Phase 2".

The motion was seconded by Committee member Dr. Harvey. Before taking a vote Dr. Hobbs asked if there were in any corrections or comments to be made to the opinion. Receiving none, the MSC approved 4-0-0, via roll call.

FUTURE AGENDA ITEMS

Dr. Hobbs announced that the next meeting will be Friday, April 17 in Folsom.

ADJOURNED

There being no additional general session matters to discuss, the general session meeting was adjourned at approximately 2:00 p.m.

The MSC has approved these Minutes of the March 23, 2015 MSC Meeting at the following MSC Meeting:

Date of approval: April 17, 2015