



# Memorandum

**To:** ISO Board of Governors

**From:** Benjamin F. Hobbs, Chair, ISO Market Surveillance Committee

**Date:** March 19, 2015

**Re: Briefing on MSC Activities from January 30, 2015 to March 10, 2015**

---

***This memorandum does not require Board action.***

Over the time period covered by this memorandum, members of the Market Surveillance Committee (MSC) have held a general session meeting of the MSC on February 19, 2015; have interacted informally with staff and stakeholders on several ISO initiatives; and have prepared a draft of a formal opinion on the reliability services initiative (phase 1) and commitment cost enhancements initiative (phase 2). The final opinion on those initiatives will be submitted to the ISO Board of Governors at their March 2015 meeting.

The February 19 general session meeting involved presentations by ISO staff, as well as public discussions among MSC members, staff and stakeholders on the following topics:

- The energy imbalance market year 1 enhancements initiative, including an overview presentation by Mr. Don Tretheway, Lead Market Design and Regulatory Policy Developer.
- The energy imbalance market net benefits study, with this agenda item including a presentation by Dr. Lin Xu, Lead Market Design Engineer, who described the study's principles and calculation procedures.
- The Load Granularity Refinements Study that the Federal Energy Regulatory Commission has requested that the ISO submit by June 2015, emphasizing the statistical analysis of the relationship of locational marginal prices within a region and the assessment of benefits of more granular pricing. Ms. Kallie Wells, Market and Infrastructure Policy Contractor, summarized methods for estimating the relationship of nodal prices to load aggregation point prices, and possible categories of benefits and costs of moving to more granular pricing.
- An update on the performance of the full network model, with a presentation by Mr. Abhishek Hundiwale, Senior Market Design Engineering Specialist.

The MSC anticipates writing an opinion on the Load Granularity Refinements Study in the near future.