



**GENERAL SESSION MINUTES
MARKET SURVEILLANCE COMMITTEE MEETING
March 19, 2010
ISO Headquarters**

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

A meeting of the Market Surveillance Committee (MSC) was held at the time and place referenced above, pursuant to the Public Notice (final released March 16, 2010), posted on the CAISO Web site at <http://www.caiso.com/23c2/23c2c4412f6c0.html>. This meeting was also a joint CAISO stakeholder meeting with regard to topics contained within the Public Notice.

COMMITTEE MEMBERS ATTENDING

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

GENERAL SESSION

The Director of Market Monitoring, Dr. Eric Hildebrandt, officially started the meeting shortly after 10:00 a.m., beginning with a quick run-down of the agenda.

The meeting was then turned over to Chairman Wolak whereby he thanked everyone for attending and introduced the two other committee members.

Decision on the January 22, 2010 Meetings

Chairman Wolak then turned to the agenda item for MSC decision on the meeting minutes from the January 22, 2010, Market Surveillance Committee 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, a vote was taken as follows:

Yes: 3
No: 0

Meeting minutes for January 22, 2010, were approved.

Public Comment

The meeting then proceeded with Chairman Wolak asking for public comment. Receiving no public comment, the MSC moved onto the next item on the agenda.

Briefing on Modifications of Start-Up/Minimum Load Bidding

Gillian Biedler of M&ID began by presenting proposed changes to bidding and mitigation of start-up (SU) and minimum-load (ML) costs. The straw proposal posted on March 16, 2010, discusses some potential improvements to SU and ML bidding, in addition to a mitigation plan for multi-stage generation transition costs. Throughout this presentation, stakeholders and MSC members asked various clarifying questions.

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

Briefing on Spring 2010 Competitive Path Assessment Analysis/Results

Dr. Eric Hildebrandt began his presentation by briefly reviewing the statistics and analysis on our local market power mitigation (LMPM) and how it performed in 2009. Dr. Hildebrandt then presented the results of the spring 2010 competitive path analysis study and then transitioned into a discussion of what parameters of the LMPM mechanism the Department of Market Monitoring would envision changing.

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

Briefing on MSC Assessment of 3-Pivotal Supplier Approach

Dr. Frank Wolak, Chairman of the Market Surveillance Committee, gave the next presentation that centered on the ISO's current methodology for mitigating local market power under the new market design. The Federal Energy Regulatory Commission asked the MSC to examine within the first 12 months of the new market launch whether alternative tests should be considered instead. Dr. Wolak discussed the current local market power mitigation mechanism and outlined the strengths and shortcomings of the current mechanism. Dr. Wolak concluded his presentation by discussing possible alternatives to the current approach to local market power mitigation in locational marginal pricing markets.

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

Discussion on Congestion Pricing on Inter-ties with Zero Rating in One Direction

Jeff Nelson of Southern California Edison discussed concerns he had with the way inter-ties were being priced when de-rated to 0 MW in one direction and potential congestion revenue rights implications. Specifically, the Silver Peak inter-tie price reflected congestion even though no export or import bids were cleared.

Kallie Wells, Market Monitoring Analyst with the Department of Market Monitoring, then followed up with their initial analysis and agreed with Mr. Nelson's concerns, and said the Department of Market Monitoring would continue to monitor for potential behavior that could impact congestion revenue rights.

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

Executive Session

There was no executive session.

Adjourned

There being no additional general session items to discuss, the Market Surveillance Committee meeting was adjourned at approximately 4:00 p.m.

The MSC has approved these Minutes of the March 19, 2010, MSC Meeting at the following MSC Meeting:

Date of approval: June 4, 2010