

# Memorandum

**To:** ISO Board of Governors  
**From:** Steve Berberich, President and Chief Executive Officer  
**Date:** July 6, 2011  
**Re:** **Decision on Confirmation of Market Surveillance Committee Chair**

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***This memorandum requires Board action***

## EXECUTIVE SUMMARY

The California Independent System Operator Corporation's Market Surveillance Committee is an external market advisor that provides independent expertise and recommendations on market design and monitoring issues to the Chief Executive Officer and Board of Governors. The MSC charter requires that the members of the MSC shall elect a Chair, subject to confirmation by the Board.

On June 6, 2011, in a general session teleconference, the four members of the MSC elected Dr. Benjamin Hobbs to serve as Chair, subject to confirmation by the Board, pursuant to section II(C) of the MSC charter. Dr. Hobbs has served as a member of the MSC since 2002. During his tenure on the MSC, he has provided valuable expertise and advice to the Board, Management and staff on numerous market issues relating to the operation of the ISO market and design of future market enhancements. In March 2010, the Board reappointed Dr. Hobbs to a 3-year term expiring on March 31, 2013.

## MOTION

*MOVED, that the ISO Board of Governors confirms Dr. Benjamin Hobbs as the ISO Market Surveillance Committee Chair, as described in the memorandum dated July 6, 2011.*

## **Background**

The tariff requires that the MSC be comprised of three or more experts whose combined professional experiences encompass the following:

- Economics, with an emphasis on antitrust, competition, and market power issues in the electricity industry;
- Operational aspects of generation and transmission in electricity markets;
- Antitrust or competition law in regulated industries; and
- Financial expertise relevant to energy or other commodity trading.

The MSC has a specific tariff-assigned role to provide independent external expertise in monitoring the ISO market and to provide independent expert advice and recommendations to Management, the Board and FERC on market performance and design.

The MSC charter requires that the members of the MSC shall elect a Chair, subject to confirmation by the Board, who shall have the following duties:

- (1) preside over meetings;
- (2) manage and facilitate the MSC's work load;
- (3) ensure the quality and timely completion of any deliverables required of the MSC;
- (4) serve as the MSC's primary contact to the ISO; and
- (5) enlist the necessary assistance of other MSC members in accomplishing any of these and any other assigned responsibilities.

The MSC is currently comprised of four members:

- Benjamin Hobbs, term expires on March 31, 2013
- James Bushnell, term expires on March 31, 2011
- Steven Stoft, term expires on March 31, 2014
- Scott Harvey, term expires on March 31, 2014.

Dr. Frank Wolak served as the MSC chair from its inception in 1998 through March 2011, when Dr. Wolak's last 3-year term as a member of the MSC expired. Dr. Stoft and Dr. Harvey were appointed to the MSC for terms beginning in April 2011. On June 6, 2011, in a general session teleconference, the four current members of the MSC elected Dr. Benjamin Hobbs to serve as Chair, subject to confirmation by the Board,

Dr. Benjamin Hobbs has served as a member of the MSC since 2002. During his tenure on the MSC, Dr. Hobbs provided valuable expertise and advice to the Board, Management and staff on numerous market issues relating to the operation of the ISO market and design of future market enhancements. In March 2010, the Board reappointed Dr. Hobbs to a 3-year term expiring on March 31, 2013.

## **MANAGEMENT RECOMMENDATION**

For these reasons, I request that the Board confirm Dr. Benjamin Hobbs as the MSC Chair, subject to the conditions of his current contract.

## **Attachment A**

### **Biography of Dr. Benjamin Hobbs**

**Dr. Benjamin F. Hobbs**, a member of the MSC since 2002, is the Theodore & Kay Schad Professor of Environmental Management in the Whiting School of Engineering at Johns Hopkins University, where he has been since 1995. He also holds a joint appointment in the Department of Applied Mathematics and Statistics. During 2009-2010, he was a visiting Senior Research Associate in the Electricity Policy Research Group in the Department of Economics and Judge Business School at the University of Cambridge, UK. He is a former Professor of Systems Engineering and Civil Engineering at Case Western Reserve University. He has previously held positions at Brookhaven National Laboratory and Oak Ridge National Laboratory. He is a member of the Public Interest Advisory Committee for the Gas Technology Institute.

His research interests include stochastic electric power planning models, including transmission planning; power systems operations and economics; multi-objective and risk analysis; ecosystem management; and mathematical programming models for simulating imperfect energy markets. Dr. Hobbs has published numerous journal articles and magazine articles on these topics and has co-authored two books. Dr. Hobbs has a Ph.D. in Environmental Systems Engineering from Cornell University, and is a Fellow of the IEEE.

Dr. Hobbs's current 3-year term expires on March 31, 2013.