



GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING

September 7, 2012, 9:00 a.m.

General Session Teleconference Meeting

Offices of the ISO

250 Outcropping Way

Folsom, CA 95630

A meeting of the Market Surveillance Committee (MSC) was held at the time and place referenced above, pursuant to the public notice announcing the meeting (final notice released September 5, 2012), posted on the CAISO Web site at:

<http://www.caiso.com/Informed/Pages/BoardCommittees/MarketSurveillanceCommittee/Default.aspx>.

ATTENDANCE

The following members of the Market Surveillance Committee attended:

James Bushnell, via teleconference

Scott Harvey, via teleconference

Benjamin Hobbs, Chair, via teleconference

Shmuel Oren, via teleconference

The following ISO staff members were present: Brad Cooper, Greg Cook, Kimberli Lua, David Zlotlow, and Karl Meeusen. Other members of the public joined in on the conference call; those parties are listed on a conference participant list compiled by the telephone service provider.

GENERAL SESSION

The following agenda items were discussed in general session:

Public Comment

Receiving no public comment the MSC moved on to the next agenda item.

Draft Opinion on flexible capacity procurement

Dr. Bushnell summarized the opinion that reflected the MSC's support of the flexible capacity procurement initiative as a transition mechanism and feel it is necessary, especially with the uncertainty of the market over the next few years. The MSC contended that while they support a sunset mechanism, they would prefer to see something with a time-based sunset, rather than one that relies upon the development of a specific market initiative. The MSC emphasized some concern that the sunset mechanism is contingent upon the backstop not being implemented for some period of time.

Public Comment on Opinion

There was no public comment.

Motion

Committee member Harvey:

Moved that the Market Surveillance Committee, an Advisory Committee to the Board of Governors of the California Independent System Operator Corporation, adopt the draft opinion titled opinion on "Flexible Capacity Procurement: Risk of Retirement."

The motion to adopt the amended draft opinion was seconded by Committee member Bushnell, and approved 4-0-0, via roll call.

ADJOURNED

There being no additional general session items to discuss, the general session of the Market Surveillance Committee was adjourned at approximately 10:00 a.m.

The MSC has approved these Minutes of the September 7, 2012, MSC Meeting at the following MSC Meeting:

Date of approval: October 19, 2012