

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING

November 18, 2016, 10:00 a.m.

General Session

Offices of the ISO

250 Outcropping Way

Folsom, CA 95630

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session at approximately 10:05 a.m. and the presence of a quorum was established.

ATTENDANCE

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

James Bushnell
Scott Harvey
Benjamin Hobbs, Chair

GENERAL SESSION

The following items were discussed in general session.

PUBLIC COMMENT

No public comment

DECISION ON GENERAL SESSION MINUTES

Motion

Committee member Harvey:

Moved, that the Market Surveillance Committee, Advisory Committee to the ISO Board of Governors, approve the general session minutes from the September 19, 2016.

The motion was seconded by Committee member Bushnell and approved 3-0.

Briefing on new direction with generator contingencies

Perry Servedio, Principal Market & Infrastructure Policy, briefed the Market Surveillance Committee, on the transmission access charge options. A secure transmission system must be able to withstand credible transmission contingencies as well as credible generation contingencies. Transmission security for loss of transmission element and Transmission security for loss of generation.

Discussion ensued between the MSC and stakeholders.

Briefing on flexible resource adequacy criteria and must-offer obligation 2

Karl Meeusen, Principal Market & Infrastructure Policy, briefed the Market Surveillance Committee, on the transmission access charge options.

Enhancements to the existing flexible capacity product
Imports and exports providing flexible capacity, including any modifications to the EFC calculation to incorporate flexible capacity
Flexible capacity from storage resources not using the NGR model
Allocating the negative contributions of flexible capacity requirements
Review Flexible RA Capacity Showings and forecasted flexible capacity needs.

General findings: The flexible capacity showings to date indicate that the flexible capacity product is not sending the correct signal to ensure flexible capacity will be maintained long-term.

Per Karl next steps: Consider enhancements to the flexible capacity product that; Increase the overall availability and ramp rate of the flexible capacity fleet, while reducing the minimum operating level of flexible capacity resources.

And starting point: Review eligibility and criteria for providing flexible capacity (Ramp rate, start time, cycle time, daily starts)

Discussion ensued between the MSC and stakeholders.

RECESSED

The meeting was recessed at approximately 12:15 p.m. for lunch. Chair Hobbs stated the meeting would reconvene at approximately 1:15 p.m.

RECONVENED

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, reconvened the general session at approximately 1:15 p.m. and the presence of a quorum was established.

Briefing on regional resource adequacy

Chris Devon, Senior Advisor in Market & Regulatory Policy, briefed the Market Surveillance Committee on key topics in scope of the Regional RA initiative.

Load Forecasting - Reliability Assessment:

Planning Reserve Margin

Uniform Counting Rules

RA showings and validation process

Backstop procurement authority (CPM) and related cost allocation

Maximum Import Capability

RA Substitution Rule – Allowing external resources to substitute for internal system RA resources

Allocation of RA requirements to LRAs/LSEs

The topic of Import Resources Qualifying for RA was added to scope of RRA initiative after receiving input from stakeholders that it would be beneficial to clarify requirements for RA imports.

Discussion ensued between the MSC and stakeholders.

Briefing on commitment cost enhancements and default bid enhancements

Cathleen Colbert, Senior Market Design and Policy developer, presented to the MSC on the initiative to address stakeholder concerns with ISO's market design features impacting bidding flexibility.

Bidding flexibility includes design features balance allowing. Suppliers submit economic prices reflecting their willingness to provide energy at a given price. Also market to protect against structural or behavioral issues. Ensure mitigated prices are reasonable reflections of suppliers' cost expectations.

Goal is to evaluate ISO's bidding flexibility design and assess whether modifications should be pursued.

Discussion ensued between the MSC and stakeholders.

FUTURE AGENDA ITEMS

Dr. Hobbs announced that the next in person meeting would be held tentatively in January or February.

ADJOURNED

There being no additional general session matters to discuss, the general session meeting was adjourned at approximately 5:00 p.m.