

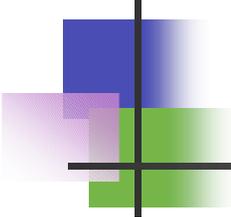
# Market Surveillance Committee (MSC) Update

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California ISO

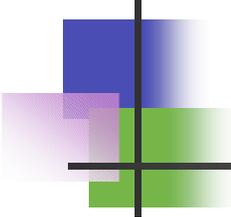
Board of Governors Meeting,  
California ISO  
June 15, 2005



# MSC Activities

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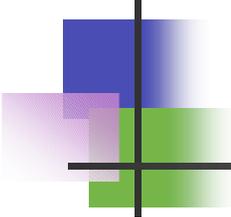
- Inter-tie bidding
  - focus on interim (pre-MRTU) solution
- Resource Adequacy
- Competitive Assessments
  - Filling in some of the details of MRTU
  - Conditions for increasing price cap
  - Determining how local is “local” market power
  - Assessing the Ancillary Services market
- CRR Allocation
  - Rewarding congestion?



# Inter-tie Bidding

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- The story so far
  - Bid-or-better system resulted in large uplift charges
  - Switch to pay-as-bid system effectively eliminated these charges
- Theoretical concerns with pay-as-bid
- Practical realities of doing anything else
- Bottom line – practical costs of implementing temporary alternatives outweigh any theoretical benefits



# Resource Adequacy

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- top down vs. bottom up?
  - measuring how much of “it” must be bought
- standardized product vs. portfolios?
  - determining what “it” is
- audited capacity vs. performance?
  - determining what “it” does
- centralized market vs. self procurement?
  - determining how “it” is bought and traded