

GENERAL SESSION MINUTES MARKET SURVEILLANCE COMMITTEE MEETING September 8, 2014 Teleconference Meeting

September 8, 2014

The Market Surveillance Committee (MSC), an advisory committee to the ISO Board of Governors, convened the general session at approximately 2:00 p.m. via teleconference and the presence of a quorum was established via roll call.

ATTENDANCE

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

James Bushnell
Scott Harvey
Benjamin Hobbs, Chair
Shmuel Oren

GENERAL SESSION

The following agenda items were discussed in general session.

PUBLIC COMMENT

No public comment was offered at this time.

DRAFT OPINION ON COMMITMENT COST ENHANCEMENTS

Dr. Hobbs summarized the main elements of the draft opinion on commitment cost enhancements. He explained that the MSC was asked to comment on the proposed enhancements to the procedures used to calculate start-up and minimum-load costs for electricity generators. Dr. Hobbs further explained the proposal for calculating commitment costs is reasonable from the stand-point of what can be implemented prior to this coming winter.

Dr. Hobbs stated the MSC encouraged the ISO's goal of developing, testing, and implementing an opportunity cost calculation methodology for use-limited natural gas units prior to the summer of 2015, if possible or as soon as feasible thereafter.

Dr. Hobbs further explained that, as a temporary expedient, allowing limited-use units a registered cost option based on 150% of the projected average proxy cost is an acceptable means of providing flexibility in the near term prior to implementation of the opportunity cost estimation methodology. However, the he stated that the MSC suggested an alternative approach outlined in their opinion that in their view offers some advantages over the proposed temporary fix.

Dr. Hobbs confirmed there was no comment from the MSC members.

PUBLIC COMMENT ON DRAFT OPINION

Dr. Hobbs confirmed there was no public comment at this time.

Motion

Dr. Bushnell:

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 Commitment Cost Enhancements"

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

FUTURE AGENDA ITEMS

Dr. Hobbs confirmed there was no public comment at this time.

Dr. Hobbs indicated the next MSC meeting was scheduled tentatively for October 15, 2014.

ADJOURNED

There being no additional general session matters to discuss, the general session of the Market Surveillance Committee was adjourned at approximately 2:15 p.m.