



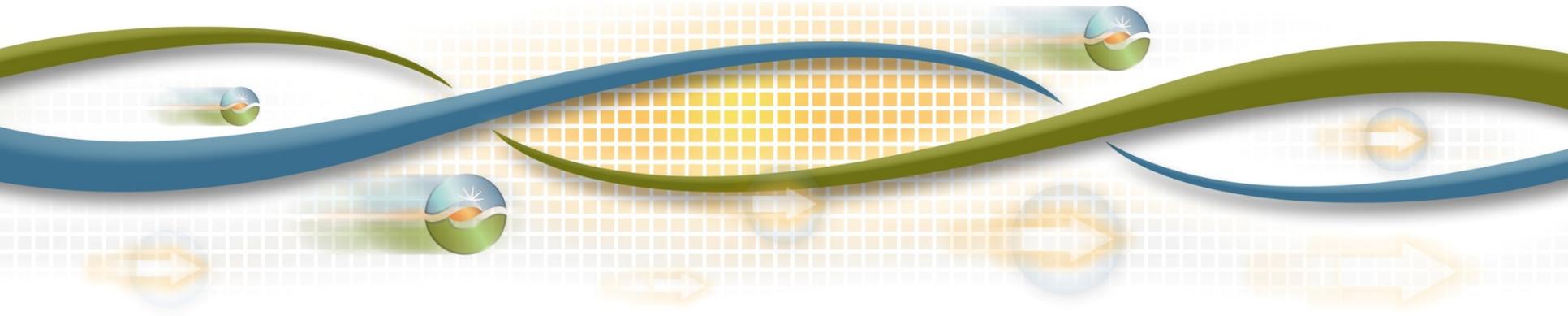
Flexible Ramping Product – Initiative Update

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Plan to make incremental improvements in management of resource flexibility in real-time market

- Replace flexible ramping constraint compensation and cost allocation
- Add flexible ramping down
- Only procured in fifteen minute market and real time dispatch

Taking incremental approach changes the scope of the initiative

- Clarifications
 - Requirement is based on 5-minute movement only
- Changes to prior proposal
 - No regional procurement
 - Simplify no-pay rules
- No changes to prior proposal
 - Demand curve used to procure variability/uncertainty
 - Cost allocation to movement + uninstructed imbalance energy

Next steps

- Data release
 - Phase 1: FMM & RTD requirement by category
 - Phase 2: Resource specific movement

Date	Event
Mid-May	Post updated technical appendix
June/July	Post updated draft final proposal
September 17-18	Board of Governors decision
Fall 2016	Implementation

Submit follow-up questions to initiativecomments@caiso.com.

Materials related to Flexible Ramping Product initiative are on the ISO website at <http://www.caiso.com/informed/Pages/StakeholderProcesses/FlexibleRampingProduct.aspx>