

Dear Margaret,

CPower has a few comments, as follows:

1. (Supporting comment): In the executive summary on page 4, and in the general discussion on gaming in section 4.1, CAISO rejects the MSC proposal that CAISO adopt a “buy the baseline” approach for the right reason that this would use a sledgehammer to crack a very small nut leaving you with nothing useful at the end of the process.
2. On Page 10, the new (yellow) paragraph (with the same issue mentioned in various other parts of the document) says that most stakeholders agree that the LSE -CSP settlement process should occur outside of the ISO. While this may be the easiest approach, CPower does not believe that it is sufficient for the ISO to just say “you guys sort that out”. There has to be a formal, published, agreed process for this, common to all participants in the ISO markets. It may not be the place of the ISO to define or manage this, but the ISO should not wash its hands of the process. It is essential to the proper and transparent functioning of the ISO markets that this issue be addressed formally through a properly regulated process that produces a fair and transparent result for all participants. CPower requests that the ISO, at the very least, should lend its weight to requesting an appropriate regulatory authority address this issue and that it do so as soon as possible so that the process does not delay the ISO implementation schedule for PDR.
3. In the next paragraph on page 10, regarding baselines the ISO makes the statement that “The ISO proposes to determine performance versus baseline on an aggregate basis rather than by calculating each end-use customer’s baseline versus actual and summing the results.” The ISO may not be aware that the PUC has recently agreed in the proposed ruling on the IOU proposals for DR in the state for 2009-2011, that this is an inferior approach and less fair to participants than determining performance on an individual basis, and requires very little additional work since the data is available anyway. CPower requests that the ISO reconsider this approach.
4. In general, regarding registration in Section 6, CPower requests that the language be changed so that the UDC and LSE are “obligated” to confirm certain registration details to ensure proper market functioning, rather than requiring or allowing the UDC and LSE to “approve” registrations. “Approval” conveys the notion that UDCs and LSEs have the ability to block registrations when this would not seem to be the intention here.
5. CPower believes that bullet 11 on page 22, requiring all aggregations to be from the same LSE or UDC, may be overly restrictive and reduce participation but serve no useful purpose. CPower would like the ISO to review the reasons for this, we believe any additional processing involved would be minimal.

Sincerely,

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