

Phase 2 - Convergence Bidding Information Release Comments on December 31, 2009 Straw Proposal

Submitted By	Company or Entity	Date Submitted
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On December 31, 2009, the CAISO released a straw proposal discussing two compromise solutions to release additional market information while treating virtual and physical bids equally. More specifically, the CAISO proposes to post either (1) the net cleared total quantities for both virtuals and physicals, or (2) the percentage of cleared quantities for virtual and physical demand and supply. The CAISO claims that the proposed solutions release additional market information and treat virtual and physical bids equally.

Citigroup Energy Inc. ("CEI") continues to believe that the best solution is to release all physical and virtual bid data simultaneously. CEI generally supports Solution 1 because it appears that Solution 1 satisfies CEI's goal of a simultaneous release. If CEI subsequently comes to understand that Solution 1 provides virtual bid data to market participants in a different manner than physical bid data, then the CAISO must make changes to its implementation of Solution 1 to eliminate that disparity.