

J.P. Morgan Comments
Subject: Data Release Phase 3 Straw Proposal

Submitted by	Company	Date Submitted
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J.P. Morgan Ventures Energy Corporation and BE CA, LLC (collectively, "J.P. Morgan") appreciates this opportunity to provide comments on the California ISO's (CAISO's) February 1, 2011, paper entitled "Data Release Phase 3 Straw Proposal" ("Straw Proposal").

Since the start of the new market J.P. Morgan has advocated for increased market transparency. As stated in its previous comments, transparent markets facilitate better risk management and lead to greater liquidity. As market results become more consistent and predictable, market participants can better assess and manage the risks of market participation and thus are likely to increase their participation in the market. The CAISO's new market is predicated on sending short-term price signals that will align market participant actions with reliable grid operation and inform longer-term investment decisions. If market participants do not understand or trust in the value of these price signals, the CAISO's efforts to reliably and efficiently manage the grid and guide investment decisions may be compromised. Greater transparency into the CAISO's operational and market administration functions will improve the short-term performance of the market and will facilitate good market participant operational and investment decisions, and increase market liquidity.

As part of the Data Release Work Group effort J.P. Morgan had requested the provision of the following information: 1) Graphical and tabular displays of forecast and actual load for each TAC area and system-wide, including the original, previous and current/instantaneous load; 2) graphical display of 24-hr ATC values for path 15, Path 26, and the Interties; 3) graphical and tabular display of 24-hr Interties and major interface flows; 4) Original, previous and current Wind forecasts and instantaneous Wind output; and 5) the addition of an ADS filter that shows only units dispatched greater than 0 MW and Path 15, Path 26 and Intertie flows.

J.P. Morgan understands that the CAISO is addressing certain of these issues. However, the CAISO is not proposing to address other requests. J.P. Morgan renews its request for: 1) the publication of flow information for the Interties and major interfaces (with an ability to request flow information for the past 24 hours); and 2) the publication of generation outage information not only on a trading hub basis, but also on an aggregate system-wide and TAC-area basis. This information is typically provided by

other RTOs/ISOs and is useful in both managing market participation as well as understanding market results.

Comments on Straw Proposal

J.P. Morgan generally supports the CAISO's Straw Proposal. Specifically, J.P. Morgan supports the release of the following information: 1) day-ahead Load Distribution Factors (LDFs); 2) day-ahead and real-time shift factors; 3) aggregated generation outage data; 4) the release of Congestion revenue Right (CRR) bid data; and 5) aggregated day-ahead and hour-ahead wind and, on a day-after basis, solar forecast data and actual aggregated wind and solar supply. In addition, J.P. Morgan supports the CAISO's recommendation to not release additional information re generator ADS instructions.

In addition, J.P. Morgan offers the following comments on specific issues.

First, J.P. Morgan requests that the CAISO further clarify the distinction between "Transmission Planning Data", "Reliability Data", and how those categories differ from "Market Sensitive Data" and "Critical Energy Infrastructure Information (CEII)" information. It appears that there is overlap between these areas. For clarity, J.P. Morgan recommends that the CAISO eliminate the "Transmission Planning Data" and "Reliability data" categories and expand the definitions of Market Sensitive Data and CEII to include reference to Transmission Planning Data and Reliability Data.

Second, with respect to Nomogram information, J.P. Morgan requests that the CAISO provide a list of all existing defined nomograms, including both those currently defined in the market software and those nomograms to which the CAISO operates but that have yet to be incorporated into the market model. While J.P. Morgan appreciates the CAISO's efforts in Phase 1 to provide information regarding those nomograms that the CAISO plans to enforce in the day-ahead market and those that it does enforce in the day-ahead market, J.P. Morgan recommends that the CAISO provide a list (static) of all existing nomograms, including those that are not enforced in the CAISO's market model, i.e., those nomograms that the CAISO has been unable (to date) to define in the market model and currently enforces through real-time operating procedures.¹ Information regarding such nomograms will better assist market participants in understanding CAISO real-time operating actions and the potential impact of such actions on CAISO market outcomes. To the extent it is the CAISO's position that it cannot provide detailed information regarding each nomogram (because of security or market sensitivity reasons) the CAISO should at a minimum provide a general description of the nomogram and the primary input factors/variables.

¹ J.P. Morgan previously requested this information in Phase 1 of the CAISO's Data Accessibility and Release process. Specifically, J.P. Morgan requested that the CAISO provide: 1) a detailed description and explanation of all constraints, including nomograms¹, and contingencies modeled in the CAISO's market software (IFM, RUC, RTM and CRR); and 2) a detailed description and explanation of all constraints, including nomograms, and contingencies *not* presently modeled in the CAISO's market software and an assessment of whether such constraints can be modeled and a schedule when they may be modeled. This would include a detailed list of the constraints that the CAISO is unable to enforce due to a lack of telemetry

Third, J.P. Morgan recommends that the CAISO publish all available transmission limit information. Specifically, J.P. Morgan requests that the CAISO publish all transmission limit and usage information on all internal branch groups and market scheduling limits (Straw Proposal at p. 9). The Straw Proposal states that the CAISO proposes to provide such information for certain additional internal branch groups and that such list is still under review and will be provided at a later date. J.P. Morgan urges the CAISO to provide such information for all internal branch groups. J.P. Morgan is unclear whether the CAISO is unable to provide information on all internal branch groups because of the administrative burden or other reasons. J.P. Morgan requests further information.

Fourth, with respect to the CAISO's proposed on-going data release process. J.P. Morgan disagrees with the CAISO recommendation that, prior to evaluating data requests through the open stakeholder process, the CAISO "evaluate" data release requests to "determine whether or not the data is necessary to increase market efficiency." J.P. Morgan recommends that all market participant data release requests be evaluated through the proposed data release process (and discussed at the Market Performance and Planning Forum) and that the CAISO not make any subjective judgment regarding the need for such information prior to stakeholder discussion of the request.

Finally, J.P. Morgan understands that the CAISO is proposing to publish certain information on a T+5 basis, i.e., with a five-day lag. J.P. Morgan does not support publication of information on T+5 basis (with the exception of market sensitive bid data that is published, per FERC's direction, on a 90-day basis). Publication of market and operating information on a five-day basis is not useful. Publication of such stale information does not assist market participants in evaluating current market conditions and guiding real-time or current-day operating decisions. J.P. Morgan requests that the CAISO clarify what information it proposes to publish on a five-day lag basis and further support why it cannot publish such information either on a real-time basis or on a one-day lag basis.

J.P. Morgan appreciates the opportunity to provide comments on the Straw Proposal and looks forward to further participation in this process.