

## **PG&E Comments on the CAISO's Multi-Stage Generating Unit Modeling Revised Straw Proposal**

<b>Submitted by</b>	<b>Company</b>	<b>Date Submitted</b>
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Pacific Gas and Electric Company (PG&E) appreciates the opportunity to participate in the CAISO's Multi-Stage Generating Unit Modeling stakeholder process and to comment on the April 13, 2009 Revised Straw Proposal.

Most of the issues PG&E raised in its March 4, 2009 comments appear to have been addressed in the Revised Straw Proposal, and PG&E generally supports the CAISO's Revised Straw Proposal.

PG&E has four additional comments.

(1) The CAISO has indicated that the multi-stage generation (MSG) modeling is not geared to pumped-storage facilities like PG&E's Helms facility. We have discussed the needs of Helms with the CAISO and have agreed to provide a list of desired pump-storage modeling requirements to the CAISO in late June 2009 (this will allow PG&E to gain some experience with scheduling Helms in the MRTU market). It is PG&E's understanding the CAISO, equipped with the requirements list, will do a gap analysis between the desired pump-storage requirements and the proposed MSG functionality. In the interim (after release of MSG but before the implementation of a complete pump-storage model) the CAISO is receptive to PG&E using MSG functionality for Helms if it proves useful in scheduling.

(2) Regarding real-time MSG bids the CAISO states, "The main limitations, in addition to the number of configurations that the participant may bid into real time for an MSG unit, are the requirements as follow:

1. At least one configuration's bid must be sufficient to cover any day-ahead energy schedule and Residual Unit Commitment schedule or award;
2. All configurations bid into real time must reserve capacity to fulfill day-ahead ancillary services awards;

3. Configurations bid into the real time market for a particular hour can be feasibly transitioned between one another by the 15-minute unit commitment that occurs in real time; and
4. At least one configuration bid into the real-time market must be feasible given the configurations bid into the previous hour."<sup>1</sup>

PG&E suggests that at least one bid satisfy both requirements #1 and #4. Without the dual requirement, a market participant could bid in one schedule that satisfies #1 and another that satisfies #4, creating a situation in which there is not a bid that satisfies the RUC requirement **and** is feasible given the previous hour.

(3) The CAISO should make explicit that the Day-ahead A/S must offer rule reflected in this proposal has not yet been approved by FERC.

(4) Regarding the Outage reporting the CAISO states, "The SLIC tool will then be able to extrapolate these outages or de-rates to the configurations of which the unit is a component."<sup>2</sup> Our March 4th comment still holds that **we do not understand how the CAISO will translate an outage notification provided at a unit level into limitations for each of the configurations (some situations would not effect all configurations, others seemingly could)**. We understand the idea is for SLIC to make the extrapolation from the unit to the various configurations so as to save participants work. We are supportive of this goal. However, the software implementation continues to be unclear.

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<sup>1</sup> CAISO Revised Straw Proposal for Modeling of Multi-Stage Generating Units, April 13, 2009, p. 5.

<sup>2</sup> CAISO Revised Straw Proposal for Modeling of Multi-Stage Generating Units, April 13, 2009, p. 8.