

Stakeholder Comments Template

Subject: Ancillary Services Procurement in HASP and Dispatch Logic Straw Proposal

Submitted by	Company	Date Submitted
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Powerex appreciates this opportunity to provide these constructive comments on AS procurement in the HASP for Spinning and non-Spinning AS from non-dynamic system resources.

From the stakeholder call on August 12th, 2009, it is clear to Powerex that this issue requires a much longer stakeholder process to fully discuss the market design. Stakeholders have expressed two primary concerns - the ability to limit their HASP bids to only AS (without being taken for Energy in HASP) and the level of bid cost protection provided to AS bids in the event the AS price or the congestion price are changed – among others.

Powerex shares these concerns, and in addition, Powerex has other concerns, such as capacity tagging to support the import AS awards and the ability to deliver the underlying energy, that were not discussed in the stakeholder call.

Powerex urges the CAISO to take the necessary steps to ensure that the CAISO implements this market functionality in a way that provides price certainty to sellers in exchange for the binding physical import AS commitment. In addition, the CAISO should develop clear and unambiguous market rules to ensure that sellers meet their physical import AS commitment and prevent participants from offering and the CAISO from awarding virtual import ancillary services. As in the case of physical import energy, the seller of import AS should be required to etag the AS capacity. Powerex trusts that CAISO ensures that this requirement is currently in place and enforced for all import AS procured in the DA market.