

**SCE comments on the CAISO's Multi-Stage Generation
2nd Draft Tariff Language (April 26, 2010)**

SCE appreciates the ongoing efforts by the CAISO to identify and implement changes in the market software to improve the modeling of multi-stage generators. SCE provides the following comments to identify concerns and/or request clarification regarding parts of the ISO's 2nd proposed draft tariff language. SCE anticipates participating in the upcoming May 4 teleconference during which these and other tariff changes will be discussed. In the meantime, please email or call me with any questions.

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Carry-over Concerns and Questions from 1st Draft Language:

The ISO's answer to SCE's question regarding transition costs (Q 31 on ISO's reply to comments) includes the phrase "The ISO will make sure this [i.e. that the ISO will use metered data to verify if a resource has transitioned from one configuration to another and that only resources that are verified to have transitioned will receive transition cost recover] is clear in the tariff". Would the CAISO please identify where within the tariff this clarification has been made.

Section 11.8.1.3 (Rules 1a-1d)

SCE understands there to be twelve possible combinations when looking at different MSG Configurations between the IFM/RUC and RTM results. These twelve combinations come from the differences in CAISO commitments versus Self-Commitment and the three possible relationships between IFM configuration costs and RTM configuration costs (same, up, down).

SCE would like clarification around a few points regarding this understanding versus the language found in section 11.8.1.3.

- 1) It appears that the CAISO views only two possible relationships between IFM and RTM (same, different). Is it correct that the direction of the change (up, down) is not considered? (If so, then there appears to only be eight possible combinations.)
- 2) Given the 12 (or 8) possible configurations does the CAISO feel they have covered all scenarios with the provided language? What about CAISO committed in IFM and self-committed in RTM in the same configuration?
- 3) In rule d what does the term "incremental" mean? In particular how do you have incremental SUC, MLC, TC if the configuration stay the same between IFM/RUC and RTM?

Overall MSG settlement concern:

Based on the tariff and BPM language currently available it seems that the CAISO will not be providing the expected configuration by interval in any settlements data. This piece of data is vital to understand how the CAISO is determining payments and charges and SCE would like to see it included in future language and design documents.