Stakeholder Comments Template

Subject: Convergence Bidding

<table>
<thead>
<tr>
<th>Submitted by (name and phone number):</th>
<th>Company or Entity:</th>
<th>Date Submitted:</th>
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</thead>
<tbody>
<tr>
<td>Sue Mara (415) 902-4108</td>
<td>On Behalf of Strategic Energy</td>
<td>11/30/07</td>
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As a follow-up to the discussion at the November 14 stakeholder meeting, the CAISO is requesting additional written comments on convergence bidding.

This template is offered as an easy guide for entities to submit comments; however, any participant should feel free to submit comments in any format. Submitted comments will remain posted and part of the record for this stakeholder process, unless participants expressly ask that their comments not be posted.

All documents related to this convergence bidding stakeholder process are posted at: http://www.caiso.com/1807/1807996f7020.html

**Stakeholder comments should be submitted by close of business on Friday, November 30, 2007 to:** convergencebidding@caiso.com

The CAISO offers the following topics as a structure for stakeholder comments:

1. Does your entity have suggestions or comments on the process by which the CAISO will resolve the nodal versus zonal granularity issue?

   No.
2. What are your entity’s views on the proposed characteristics of virtual bids (that were reviewed at the November 14\textsuperscript{th} meeting)?

Strategic continues to urge the CAISO to allow convergence bidding at the Trading Hubs on the date convergence bidding is first implemented. The CAISO has been unclear about the reasons for its reluctance to allow such trading. For example, the CAISO’s November 7\textsuperscript{th} paper lists “implementation challenges” (p. 10) and discussion at the November 14th meeting mentioned “issues” but no “show stoppers.” ESPs expect to make extensive use of the Trading Hubs and the ability to submit virtual bids there will provide ESPs with an additional tool. At a minimum, the CAISO has an obligation to explain the “issues” to stakeholders and the steps it is taking to resolve them.

3. What are your entity’s views on proposed changes to the Day Ahead market which are needed to facilitate convergence bidding?

No comment.

4. What are your entity’s views on the proposed credit policy and processes for virtual bids?

No comment.

5. What are your entity’s views on the CAISO’s proposal (explained at the November 14\textsuperscript{th} meeting) for allocating costs for virtual transactions?

No comment.

6. What are your entity’s views on the potential interaction of nodal convergence bidding and Inter-SC Trades?

No comment.