Attachment D

Stakeholder Process: Day Ahead Scheduling Requirement Under MRTU

Summary of Submitted Comments

Stakeholders submitted four rounds of written comments to the CAISO on the following dates:

- Round One, April 27, 2007
- Round Two, May 23, 2007
- Round Three, June 22, 2007
- Round Four, August 14, 2007

Stakeholder comments are posted at: http://www.caiso.com/1bf4/1bf48b33187a0.html

Other stakeholder efforts include:

- MSC Meeting: February 13, 2007
- Five conference calls with stakeholders: May 9, 2007, May 29, 2007, June 28, 2007, July 12, 2007 and September 14, 2007.
- Two In Person Stakeholder Meetings with Participation from the MSC: June 6, 2007 and August 10, 2007
- MSC Conference Call: July 2, 2007

Management Proposal	SCE	PG&E	AReM	Constellation	Management Response
(1) Bright Line Rule The CAISO recommends that the "bright line" be set at 36 hours per month. If the SC exceeds this value, SCs are subject to the Interim Scheduling Charge (with applicable thresholds and exemptions).	**Support** Supports 36 per month bright line rule.	**Conditional** Prefers an annual value for the bright line rule. Also prefers that data be sent to FERC for review.	**Support** Initially AReM expressed preference for report to be sent to FERC. However, AReM is accepting of 36 hour bright line rule.	**Support** Agrees with recommendation.	CAISO determined that the bright line trigger should be set at 36 hours per month to limit scheduling behavior outside of the charge threshold and to allow for load serving SCs to alter their behavior to avoid future assessments of the charge.
(2) Interim Scheduling Charge Thresholds The charge would be imposed at a rate of $150/MWh when metered load is 15% greater than a Scheduling Coordinator's cleared Day-Ahead demand, and increase to $250/MWh when metered load exceeds 20% of cleared demand in the Day-Ahead Market.	**Support**	**Support**	**Support**	**Conditional** Constellation expressed a preference for a smaller threshold (10%).	The clear thresholds enable LSEs to submit economic bids in the Day-Ahead Market. The $/MWh rates provide a severe enough charge to deter underscheduling.
(3) Interim Scheduling Charge Exemptions Exemptions include (a) small load, (b) missed load forecast, and (c) price differential between the Day Ahead and Real Time markets.	**Support and Oppose** SCE opposes the 500 MW exemption and states that it is discriminatory. SCE supports the other proposed exemptions.	**Support and Oppose** PG&E also opposes the 500 MW exemption, but supports the other proposed exemptions.	**Support** AReM and CMTA contend that the ESP business model warrants a 500 MW per LAP exemption.	**Support**	The recommended exemptions enable LSEs to economically bid in the Day-Ahead Market thus reducing the potential for over-scheduling.

Note: Earlier in the stakeholder process, stakeholders representing the supply community conveyed that the CAISO should pursue a market solution or a more restrictive scheduling requirement, and they do not support Management's proposal. LSEs also consistently represented that the CAISO should rely on financial incentives already built into the MRTU design.