Attachment A

Stakeholder Process: Decline of Real-Time Import Export Bids

Summary of Submitted Comments

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

- Round One, 10/30/2007
- Round Two, 11/26/2007
- Round Three, 12/5/07

Stakeholder comments are posted at: http://www.caiso.com/1c72/1c72db9160800.html

Other stakeholder efforts include:

Conference call details:

- October 16, 2007 1:00 p.m. to 3:00 p.m.
- November 15, 2007 10:00 a.m. to 12:00 p.m.
- December 3, 2007 9:00 a.m. to 11:00 a.m.

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Management Proposal	Bear Energy	Citi Group	Constellation	Coral Power	CPUC	Mirant Energy	PG&E	Powerex	SCE	Management Response
Exemptions: The CAISO proposes that all declines be subject to measurement and there would not be conditions that would exempt a particular declined dispatch from the charge.	**No Comments**	**Oppose** Brief position: The Straw Proposal does not draw any distinction between schedules that are cut at the direction of the market participant or the CAISO (or a third party). There is no rational basis for including CAISO-directed curtailments and cuts in any penalty assessment of market participants.	**Support** Brief position: Constellation understands that incorporating specific exemptions would add administrative complexity to the proposal, and that the complexity does not appear warranted given the anticipated infrequency of the types of events (i.e., force majeure) that possibly would create an exemption from the charge. However, CAISO should allow MP's to seek exemption from specific charges based on extenuating circumstances pursuant to provisions that govern settlement disputes	**Oppose** Brief Position: The CAISO proposes that all Force Majure (FM) events, such as transmission cuts from a third party Transmission Owner, or instructed transmission cuts due to WECC Unscheduled Flow, should be included in this 5% tolerance band. The reasonable outcome will be that market participants who must now bear this risk, thus increasing costs for California consumers.	**Support** Brief position: A market without the penalty for reneging on a commitment would create "call" or "put" options without any option fee – a situation that does not exist in any financial market. CPUC staff agrees with the CAISO proposal that a charge or penalty on pre-dispatches may change bid volume for energy (a.k.a. market liquidity).	**No Comments**	**Oppose** Brief position: PG&E supports 100% penalties for all declines with appropriate exceptions justified by demonstration of uncontrollable events such as transmission derates.	**Support** Brief position: Powerex believes the 5% threshold is sufficient enough to account for real-time schedule changes. Powerex believes that the CAISO has the information available to remove these schedules from the threshold.	**Support** Brief position: SCE generally supports the CAISO's proposal.	The CAISO proposal remains that exemptions are not to be included. Instead, the CAISO has addressed concerns by increasing the threshold size as discussed above.
Coordination with Tariff Section 37 (Feasible Bids): in proposal	Brief Position: Tariff section 37 should be revised so that a participant who is penalized is not subject to additional sanction.			Brief Position: Tariff section 37 should be revised so that decline levels below the threshold values are not to be sanctioned.				Brief Position: Tariff section 37 should be revised so that a participant who is penalized is not subject to additional sanction.		The CAISO will consider these comments when crafting the tariff language.