

PG&E Comments

Post Five Day Draft Tariff Language

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Pacific Gas & Electric (PG&E) appreciates the opportunity to participate in the stakeholder process for CAISO's Post Five Day Price Corrections Process Initiative and to submit comments regarding the June 11, 2010 Draft Tariff Language.

Tariff Section 35.3

No comments on the proposed changes in this paragraph.

Other Paragraphs in Section 35

It appears the other paragraphs in Section 35 need to be reviewed and perhaps modified to reflect the changes proposed in this initiative. For example, paragraph 35.2 refers to the price correction process lasting for eight calendar days, although this paragraph allows the CAISO to establish an earlier end-time for the price correction process. The CAISO in this initiative proposes to change the price correction time horizon to five business days¹. PG&E recommends that the new five-day limit be correctly reflected in the tariff. To do otherwise will lead to confusion. Also, the ability for the CAISO to change to a shorter correction period without a tariff change should be removed from the tariff. Maintaining a consistent five-day correction window provides market participants needed time and process certainty to review prices and communicate possible issues to the CAISO. Shortening this window effectively eliminates that possibility. Given the importance of a consistent five-day correction period, any change in the correction window should only be implemented via a FERC-approved tariff change. Lastly, we suggest a change to the notice provision to better reflect the proposal.

We recommend the following revision to paragraph 35.2.

The ISO will publish any price withheld for publication pursuant to Section 35.1 as soon as practicable, but no later than 48 hours after the pursuant to Section 35.1, shall become subject to the CAISO's price correction process once the CAISO publishes them on its OASIS or provides them directly to Market

¹ There is confusion about whether the CAISO is proposing a price validation (look-back) period of five business days or five calendar days. The proposal refers to five business days (see page 7 of the Draft Final Proposal). However, the CAISO has indicated to PG&E that was an error, and the actual proposal is five calendar days. PG&E supports maintaining the current price validation period.

Participants, if applicable. For all prices, the price correction process for each Trading Day shall end no later than 1700 hours of the ~~eighth calendar~~ **fifth business** day following that Trading Day. ~~The CAISO may establish an earlier end time for the price correction process in the applicable Business Practice Manual and may complete the price correction process for any Trading Day earlier than the end time established in this Section 35 or in the Business Practice Manual.~~ The CAISO shall provide notification on the CAISO Website when it has completed the price correction process for each Trading Day. If the CAISO does not provide such notification, the price correction process will be deemed complete at 1700 hours of the fifth calendar day following that Trading Day.; ~~unless an earlier time is established by the applicable Business Practice Manual.~~ The CAISO will provide notice on the CAISO website for any prices it seeks to correct after 1700 hours of the fifth business day following that Trading Day. For prices corrected after the fifth business day, the CAISO will provide the market an analysis of the impact of the potential price correction and support for any recommendation to seek a waiver from FERC to make the price correction.

We recommend adding the following sentence to section 35.4 to prevent confusion on what is considered a price correction.

~~The reposting of prices due to processing issues is not considered a price correction.~~

PG&E recommends the CAISO similarly scrutinize all the paragraphs in Section 35 to ensure it properly reflects the proposed changes of this initiative.

Other Tariff Sections

As with Section 35, PG&E recommends that the CAISO review Tariff sections 6.5.4 and 6.5.5 to determine if changes are warranted regarding the potential for price correction of Public Market Information and Communications with Scheduling Coordinators as detailed under section 35.