

PG&E Comments

Data Release Phase 3 Straw Proposal

Submitted by	Company	Date Submitted
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Pacific Gas & Electric (PG&E) appreciates the opportunity to participate in the stakeholder process for the CAISO’s Data Release Phase 3 Initiative and to submit comments regarding the February 1, 2011 Straw Proposal.

1. General Comments

Do Not Support Moving Initiative to March Board Meeting

PG&E does not support moving this proposal up to the March 30th Board of Governors Meeting as suggested in the conference call. We understand that the May meeting has several other items up for approval and that it will be a very full agenda. However, if this initiative cannot be considered at the May Board meeting, we recommend delaying it to the next Board date.

PG&E makes this recommendation for three reasons. First, stakeholder comments on the draft final proposal will be due on March 14th. This gives the CAISO little time to fully consider stakeholder comments before preparing Board Meeting materials.

Second, the Straw Proposal lacks specificity in some key areas that could have major implications, and depending on the proposals put forth, may not be acceptable to stakeholders. Specifically we are referring to which internal transmission lines will have their operational data released, and the details and infrastructure of the Ongoing Data Release Process. Given the lack of details in some areas, it may be inappropriate to limit stakeholders to only one opportunity to comment.

Third, PG&E would like the Department of Market Monitoring (DMM) and Market Surveillance Committee (MSC) to provide feedback on the Draft Final Proposal and wants adequate time for stakeholders to consider and react to these comments and for the CAISO to modify the proposal as appropriate.

2. Market Model Data

Support Proposed Release of Load Distribution Factors (LDFs) with Modification

PG&E is supportive of the CAISO's efforts in this proposal to maintain confidentiality of the MW usage data of nodes which represent a small number of customers and the

release of day-ahead LDF information after T +5¹. These two elements of the proposal largely mitigate PG&E's issues with releasing the LDF data.

PG&E does recommend a modification to the aggregation proposal. We recommend that the CAISO aggregate the nodes with limited customers on a Sub-LAP basis instead of a single aggregated DLAP number. This will significantly increase the usefulness of the LDF aggregated data with what we think should be a small increase in the cost to implement.

Support Proposed Release of Shift Factors

It is our current understanding that the CAISO plans to release both day-ahead and real-time shift factors on a T +5 basis. PG&E supports this proposal.

3. Transmission Data

More Information on Proposed Transmission Data Release Needed

The Straw Proposal states that, "The list of internal branch groups and market scheduling limits is still under internal review and will be included in the draft final proposal." PG&E cannot assess the sensitivity of releasing additional transmission information unless we know exactly which lines will be included. For instance, similar data is already released for path 26 and path 15. Is it the CAISO's intention to release information only for very large lines or to release more granular availability data? Due to this lack of specificity, we cannot offer a position at this time.

PG&E does have a general concern with releasing additional transmission availability/outage information given the present market structure. This is because the competitive path assessment (CPA) is currently done every three months, and these determinations remain static during the season. Derates or outages will cause the actual system topology to change from what was used in the seasonal assessment. This could result in a situation where a market participant has local market power which is not mitigated through the LMPM process. Releasing additional transmission availability/outage information could alert market participants to situations where they can exert market power without mitigation. This would not occur if a dynamic CPA approach was implemented based on near real-time topology. It is PG&E's understanding that the CAISO is investigating a more dynamic CPA process, and PG&E would be more supportive of releasing additional transmission outage information after such a process is implemented.

4. Generation Outages

Do Not Support the Additional Release of Generation Outage Data

PG&E does not support the proposed release of 30-day forward looking aggregated generation outage data because of market gaming concerns.

¹ Stakeholder Conference Call, February 8, 2011. <http://www.caiso.com/2b1a/2b1acafd72b0.pdf>

The proposal is a very significant change to the outage data that is currently released.² It gives a forward looking view of outages rather than simply the snapshot that is reported today. One concern is that the daily 5:00 AM release may result in market shocks and knee-jerk reactions, rather than the intended market efficiency. This report also presents a rolling 30-day view of the projected scarcity in the market. This could possibly increase CAISO market prices and affect longer-term trades as well.

The CAISO has suggested that a DMM review will be sought before finalizing this proposal. PG&E supports a DMM review of the entire proposal, but specifically asks the DMM to review any proposed changes to both the generation outages and transmission availability reporting because of gaming concerns. As mentioned in our general comments above, we also recommend the CAISO seek a MSC review before the proposal is finalized.

5. CRR Bid Data

Decision on Releasing CRR Bid Data Should Be Delayed Until After Publication of Last Year's CRR Report

PG&E expects that the CAISO will soon publish its report on the performance of the CRR market for 2010. This report was published for 2009 in January of last year³. This upcoming report could help inform the CAISO regarding what CRR bid data should be released.

CRR Bids Should Not Be Released Retroactively

To date, all CRR purchases have been made under the understanding that the bids were confidential. It would be unfair to all market participants to retroactively make this information public. Therefore, we propose that the CAISO not release bid data submitted before the effective date of the tariff change.

Release of the Yearly Auction Data Should be Staged in Four Parts

If CRR bid data were released, making monthly auction data available 90 days later seems appropriate given that it would no longer reflect active holdings in the market. However, releasing yearly auction data on this same timeframe would have much different implications. This is because the yearly auction essentially consists of four quarterly auctions. Releasing bids after 90 days would therefore give increased information about the remaining three quarters. We propose that the yearly bid data be released in quarterly increments after the relevant quarter has passed.

² Currently the CAISO only provides a current "snapshot" of generation outages in Curtailed and Non-Operational Generators in California: <http://www.caiso.com/unitstatus/index.html>

³ Market Performance Report on CRRs: <http://www.caiso.com/272b/272b8b042b7a0.pdf>

6. Intermittent Forecasting Data

Support Proposed Release of Intermittent Forecasting Data

PG&E supports the CAISO's proposal to release intermittent forecasting data by the three trading hubs separated by fuel source (wind and solar). In addition, we request that the CAISO provide stakeholders with six lists (i.e., a list for each hub and resource type) detailing the resources within each of these forecasts. The lists should include the names and nameplate capacity of all resources being forecasted. This information is necessary for market participants to know what resources are included in the forecasts and thereby give context to the forecasts.

We are also supportive of having entities that receive a resource-specific forecast continue to pay the \$0.10/MWh fee currently charged for this service. It is our expectation that the incremental cost for creating the aggregated forecast will be relatively small by comparison.