Stakeholder Comments Template

Subject: Payment Acceleration Proposal

This template has been created for submission of stakeholder comments on the following topics in regards to Payment Acceleration. Upon completion of this template please submit (in MS

Submitted by	Company	Date Submitted
Ellen Wolfe	*WPTF*	*10/24/2008*

Word) to pacceleration@caiso.com. Submissions are requested by close of business on October 24th, 2008.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. **Bifurcation of DA/RT, Estimation & Settlement Timeline Options**
   During the Payment Acceleration Stakeholder meeting on October 16th, 2008, alternatives were discussed in regards to the Settlements timeline, estimation, and bifurcation of DA/RT settlements. The following options were discussed:

   - Option #1 - Add a Settlement calculation at T+9B (in addition to the proposed 'DA only' calculation at T+2B). This would provide a settlement run for RT charges prior to the proposed T+50B timeline, as well as allow for a DA/RT bifurcation at T+2B. The T+9B calculation would use one of the following estimation options absent polled or SC submitted data availability:
       o DA IFM Schedules Only
       o DA IFM + adjustment based on CAISO Actual Load
       o Current Credit Liability Meter Data estimation (uses the IFM DA schedule and adder of + /- 10% factor (or other % Factor).
     In addition, T+9B would replace the T+7B credit run.

   - Option #2 - Replace the proposed T+2B DA Only Settlement calculation with a T+5B calculation that includes both DA and RT charge codes. The T+5B calculation would use an estimation methodology based upon hourly load forecast data, which is used for all real-time load settlement calculations prior to receiving actual meter data. In addition, T+5B would replace the T+7B credit run.

	Timeline	Estimation
Option #1	T+2B – DA Only T+9B – DA &RT T+50B – 1st true-up T+100B – 2nd true-up	One of three proposed options (i.e. DA IFM schedules)

	T+18M - 3rd true-up T+35M - 4th true-up	
Option #2	T+5B – DA &RT T+50B – 1st true-up T+100B – 2nd true-up T+18M - 3rd true-up T+35M - 4th true-up	DA schedules + hourly load forecast data

Please provide comments on these options:

WPTF prefers an acceleration of DA/financial settling to MRTU startup, under the assumption that RT could be accelerated to the same schedule (T+5 or T+9) within approximately 3 months of startup. WPTF does not support a solution that is too cumbersome to implement on or near startup, nor do we support a solution that has a mismatch between DA and RT settlements for an extended period of time. Lastly, any solution should include an acceleration of invoicing (preferably weekly, worst case bi-monthly) as soon as possible and not later than six months after MRTU startup.

2. **Methodology for Estimating Meter Data**
    SCE has suggested the CAISO to seek additional alternatives to the three estimation options presented on September 18th. In particular, SCE recommends the CAISO to investigate the meter estimation methodology used by the New York ISO. It is their understanding that the NYISO methodology is based upon hourly load forecast data which is used for all real-time load settlement calculations prior to receiving actual meter data. NYISO has been using this methodology since its market inception in 1999 and may provide the CAISO with a fair and viable alternative to the estimation approaches currently being proposed.

    CAISO is exploring this option. Would you support an estimation methodology based on hourly load forecasts?

    WPTF would be pleased to consider estimation with forecasts. However we need more specific information to be able to assess the proposal. In particular WPTF would need to assess the impacts of the estimation on its smaller ESPs as well as to assess the impacts on the viability of the entire acceleration approach.

3. **Implementation Schedule**
    Do you a support the phased implementation approach discussed in the October 16th Stakeholder Meeting? Assuming invoicing remains the same as the MRTU implementation (monthly at month-end), could you support an accelerated timeline within 1-3 months post MRTU go-live? .

    See our comments under #1.

4.   **Invoicing**
    Would you support an invoice solution that meets the following criteria?

    *   Does not mix initial and true-up statements from previous accounting months
    *   Includes trade dates from a specific month only, but not necessarily includes trade dates that encompass a full month (i.e. could include a partial month).
    *   Monthly charges are on invoice that included the month end date.

    Please provide detailed examples of your preferred invoicing solution.

    See our comments under #1

5. **Other Comments?**

    WPTF appreciates the opportunity to provide input and the CAISO's efforts to address this issue important to the viability of the MRTU markets.