<u>Stakeholder Process: Dropping the DEC Bidding Rule</u>

Summary of Submitted Comments

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

- February 15, 2008 – "*Initial Stakeholder Comments on the DEC Bidding Rule*"
- March 24, 2008 -- "*Stakeholder Comments on Straw Proposal on the DEC Bidding Rule*"
- April 30, 2008 – "*Stakeholder Comments on Revised Straw Proposal on the DEC Bidding Rule*"

Stakeholder comments are posted at: http://www.caiso.com/1fb1/1fb184c166370.html

Other stakeholder efforts include:

- MSC Meeting and discussion – February 8, 2008
- Systems Interface User Group Conference Call – March 12, 2008
- Stakeholder Conference Call – March 17, 2008
- Stakeholder Conference Call -- April 21, 2008

Management Proposal	A California Public Utilities Commission Staff	B Dynegy	C Pacific Gas & Electric Co. (PG&E)	D Powerex Corp.		Management Response
Switch off the DEC Bidding Rule upon MRTU Start-up	Support	Support	Support CAISO should also review how other ISOs address potential DEC gaming issues. CAISO also should establish a formal milestone to review with stakeholders actual DEC market behavior during the first year of MRTU operation.	No technical or policy concerns		

Management Proposal	E San Diego Gas & Electric Co. (SDG&E)	F Southern California Edison (SCE)	G Western Power Trading Forum (WPTF)	H Citigroup Energy Inc. (CEI)		Management Response
Switch off the DEC Bidding Rule upon MRTU Start-up	Support	Support SCE supports eliminating the current DEC bidding activity rule for the start-up of MRTU. The current rule will not prevent the gaming concerns it was trying to address, and it may have the perverse result of actually making the real-time market less competitive than simply eliminating the current rule.	Support The DEC Bidding Rule should be removed from the MRTU tariff and systems prior to MRTU start-up.	Support		