



TO: YAKOUT MANSOUR, CAISO GOVERNING BOARD MEMBERS
FROM: GARY ACKERMAN AND ELLEN WOLFE, WESTERN POWER TRADING FORUM
SUBJECT: MULTI-STAGE GENERATION MODELING AND CONVERGENCE BIDDING RELEASES
DATE: SEPTEMBER 10, 2009

The Western Power Trading Forum (WPTF) appreciates the follow-up of the Board and the CAISO staff based on our comments at the last Board meeting.

Given the progress to date, WPTF comes to you this month with more specific requests to:

- Make best efforts to accomplish a spring 2010 rollout of Multi-Stage Generation Modeling, and
- Confirm a 2010 implementation of Convergence Bidding, and secure a contract with the vendor for such a development cycle.

Please let us elaborate:

The CAISO is under FERC Order to implement Convergence Bidding within 12 months of start up and to resolve forbidden region issues as the CAISO has proposed to do through Multi-Stage Generation Modeling. At this point in time, every effort must be made to achieve these FERC commitments.

The CAISO has targeted the release of Multi-Stage Generation Modeling for April 2010. Your board memo (page 4) suggests that based on stakeholder input the rollout schedule may be extended until fall of 2010. We're here to tell you that such an extension has significant adverse operational and financial consequences for WPTF members. WPTF members continue to support an April 2010 release schedule and will assist in any way possible to ensure that schedule is workable.

The CAISO staff has indicated that it needs 18 months to implement Convergence Bidding (Board memo page 5), and has indicated in discussions with us that an October 2010 release could be feasible if various rollout challenges are managed. We ask the Board to confirm now the implementation of Convergence

Bidding as soon as possible and certainly within this 18 months, and to direct the CAISO to complete contracting with the vendor for the development of Convergence Bidding in order to meet this 2010 implementation schedule.

The CAISO's ability to meet its FERC commitments must overcome the lack of resources with its vendors that we so often hear about. We ask the CAISO Board to examine with the CAISO staff how it can manage these resource constraints so that the CAISO rather than the software vendor drives the software development process.

Thank you,

A handwritten signature in cursive script that reads "Gary B. Ackerman". The signature is written in black ink and is positioned above a solid horizontal line.

Gary B. Ackerman
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