

**Stakeholder Process:**  
**Decision on Modifying Rules Limiting Supply Bid Pool**  
**in the Integrated Forward Market**

**Summary of Submitted Comments**

Stakeholders submitted [insert “two”, “three”, etc.] rounds of written comments to the ISO on the following dates:

- Round [One], 06/24/2009
- Round [two], 08/18/2009

Stakeholder comments are posted at: <http://caiso.com/23d8/23d8bb9a6ee20.html>

Other stakeholder efforts include:

- June 17, 2009, Market Surveillance Meeting
- August 14, 2009, Conference Call

Management Proposal	Calpine	CDWR/SWP	Dynegy	JPMorgan	PG&E
Modify Integrated Forward Market (IFM) to consider all supply bids rather than only those bids that cleared the Market Power Mitigation Pre-IFM Pass.	Conditional  Consider making no change but if change is determined necessary then recommended Approach 1 is most transparent and least intrusive. Longer term implement Approach 4 with convergence bidding as required by FERC	Oppose  Absent additional study of additional days and data where bid-in load is greater than ISO forecast, CDWR/SWP would support Approach 4	Support  While not optimal , supports recommend approach 1 as providing the correct incentives in short-term but supports Approach 4 with Convergence Bidding	Conditional  Prefer not change but may provide interim support for Approach 1 would be condition that there is not a significant impact to the run-time of the market. Supports Approach 4 in long-term with convergence bidding.	Support  Support recommended Approach 1

Management Proposal	Powerex	SCE	SDGE	Six Cities	WPTF	Management Response
Modify Integrated Forward Market (IFM) to consider all supply bids rather than only those bids that cleared the Market Power Mitigation Pre-IFM Pass.	Support  Support recommended Approach 1 as an interim approach. Supports Approach 4 with implementation of convergence bidding.	Conditional  Recommended and alternative in which using reasonable point on bid-in demand curve when such point exceeds the ISO forecast. As interim approach SCE can conditionally support recommended Approach 1 in interim so long as results are monitored	Conditional  While SDGE recommends Approach 3, SDGE can support an Approach 1 like approach so long as it is determined to not create an unreasonable opportunity for unmitigated bid to set the price	Oppose  Concerns about unmitigated bids under Approach 1. Support Approach 3.	Support  Supports either do nothing or recommended Approach 1 as long as run-time are not impacted	On balance, the market efficiency gained by not limiting the pool of resources available to IFM outweighs the concerns of potentially unmitigated bids when bid-in demand is greater than the ISO forecast demand. Concerns about the increased run-times are manageable and are offset by recent performance enhancements.