

Comments of the California Municipal Utilities Association (CMUA)  
FERC Order 764 Compliance  
15-Minute Scheduling and Settlement Straw Proposal (October 23, 2012)

CMUA appreciates the opportunity to comment upon the CAISO's FERC Order 764 Compliance 15-Minute Scheduling and Settlement Straw Proposal (October 23, 2012).

Generally, CMUA supports the design decision by the CAISO that scheduling practices at the interties could not be tackled independently from the operations and practices of the CAISO's market as a whole. CMUA members are still assessing many of the mechanical features of the Straw Proposal, and how they would affect individual member interests, and also the efficiency of the market as a whole. In that regard, CMUA asks for clarification of the following matters:

- **Simplicity of Market and Consideration of Reforms**

CMUA members and other stakeholders raised concerns with respect to the addition of scheduling and settlement functionality, and whether this additional burden in combination with existing settlement timelines was simply too complex and costly to administer, as compared with any benefits of retaining settlement intervals more granular than the 15-minute market. The CAISO responded that simplification was being considered in the context of this proposal.

CMUA would appreciate further discussion and explanation of why or why not elimination of settlement intervals sub-15 minutes, in conjunction with this proposal, can be implemented.

- **Regional Reforms**

Several stakeholders raised concerns with respect to how the CAISO proposal would comport with efforts in the rest of the WECC. CMUA acknowledges that (1) the CAISO cannot control the actions of others; and (2) the CAISO proposal has merits with respect to internal operations. However, the interface with what is being proposed for Order No. 764 compliance by other entities is critical to meeting the market and policy objectives of the Order. At a minimum, greater transparency, perhaps along the line so what is being used for Order No. 1000 compliance for inter-regional compliance issues, should be considered.

- **Affect on Intertie Supply**

While the CAISO has taken steps to mitigate the impact of the proposal on the supply of import bids, the history of CAISO operations is rife with proposals that unraveled when market behavior of importers dried up supply bids, causing a reversal of design direction, with the attendant costs and disruption. As this proposal moves toward fruition, a more concrete effort to ascertain the potential

impacts on supply bids from importers as a consequence of these reforms should be undertaken.

Tony Braun  
Braun Blaising McLaughlin & Smith, P.C.  
Counsel to CMUA  
(916) 326-4449  
[braun@braunlegal.com](mailto:braun@braunlegal.com)