

## Stakeholder Comments Template

### Subject: Setting Parameter Values for Uneconomic Adjustments

Submitted by	Company	Date Submitted
Tony Braun (916) 326-4449	Braun Blaising McLaughlin, P.C., on behalf of CMUA	8/7/08

This template has been created for submission of stakeholder comments on the following topics covered in the July 31 Market Notice regarding Setting Parameter Values for Uneconomic Adjustments. Upon completion of this template please submit (in MS Word) to [chinman@caiso.com](mailto:chinman@caiso.com). Submissions are requested by close of business on August 6, 2008.

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

1. Please propose or comment on the appropriate principles or rules for setting prices in the Real Time Dispatch when supply is insufficient to meet the CAISO demand forecast.

*CMUA is unclear as to the intent of this question. If the intent of this question is to devise rules for setting prices in CAISO Tariff-governed markets, the rules of the Tariff apply. The Tariff already establishes Bid Caps for products purchased and sold in CAISO administered markets. If the intent of the CAISO is to consider using Parameter Values to reconsider the established bid caps, CMUA objects to that notion. The value of appropriate Bid Cap levels has been the subject of much debate and FERC order, and a full stakeholder process and subsequent FERC filing is necessary if those levels are to be reconsidered.*

2. Multiple priority levels for ETCs. The CAISO believes that MRTU Tariff Section 16.4.5 (8) adequately covers possible priority differences for ETCs, i.e., that the service types identified in this section are the only relevant basis for establishing different priority levels in the MRTU software for ETCs. Parties are asked to comment on whether they agree with this assessment, or if not, to specify any further needs that must be addressed.

*CMUA is encouraged by the CAISO representations that its goal in setting parameter values is to provide the same level of service for the ETC holder as has been historically enjoyed. However, the question above appears to go at the question of priority levels in the wrong way. The priorities provided in the ETC are dictated by the terms of the ETC and the agreements and instructions provided by the ETC Holder and the PTO.*

3. Parties are asked to describe any specific types of test cases they would like the CAISO to run and analyze in relation to the parameter tuning effort. Please explain the proposed case in enough detail to make it clear what question or issue is being addressed. In addition, please identify any particular Market Simulation cases you have encountered in the Market Simulation process and believe are important to examine for parameter tuning issues, and explain the relevance of such cases.

*CMUA supports the requests of its members regarding additional test cases that need to be run to determine whether Existing Rights are being honored by the CAISO proposals.*

4. Other

*CMUA appreciates the efforts and commitments made by the CAISO that service levels under ETCs, TORs, and Converted Rights will not be degraded by parameter setting. As this issue has unfolded, however, CMUA is increasingly concerned that the parameter values suggested by the CAISO, in conjunction with effectiveness factors, will result in curtailments of schedules under the rights enumerated above that are inconsistent with the nature of service under the rights. Given the significant delay in MRTU Start-up, CMUA urges the CAISO to be deliberate and perform additional analysis and stakeholder outreach before reaching any final conclusions on the appropriate Tariff and other mechanisms to establish uneconomic adjustment parameters.*