

Stakeholder Comment Template	
CAISO Integrated Balancing Authority Area (IBAA) Proposal	
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Industry Segment: Association	
<p>Instructions: The CAISO is requesting written comments on the <i>Draft Final Proposal on Modeling and Pricing of Integrated Balancing Authority Areas (IBAA)</i> that was discussed at the April 11th MSC/Stakeholder meeting, a written draft of which was posted on April 18, 2008 at http://www.caiso.com/1fad/1fad12f244a990.pdf. This template is offered as a guide for entities to submit comments.</p> <p>All documents related to the CAISO's IBAA proposal are posted on the CAISO Website at the following link: http://www.caiso.com/1f50/1f50ae5b32340.html</p> <p>Upon completion of this template please submit (in MS Word) to kalmeida@caiso.com . Submissions are requested by close of business on Friday April 25, 2008.</p>	

WPTF offers some very principled comments, including a belief that the CAISO should model the SMUD/WAPA IBAA in a manner that is very consistent with how business is transacted at the boundary of the CAISO and elsewhere in the WECC. Namely the CAISO should:

- Model more accurately the flows on the COTP system, thereby creating accurate prices at the interchange points and preventing the overcharge of congestion and losses given respective loop flows on the respective systems.
- Limit IBAA informational requirements to what is needed for the CAISO to reasonably verify the operation of the unit, so as to allow for unit-specific pricing. Information about a seller's portfolio or other business activities (e.g. other loads and resources) is unrelated to the unit's specific output and therefore should not be required.
- Similarly, the CAISO should base any unit specific-pricing upon the operation of those close-in units alone. The need of the CAISO is to ensure that a resource with a high effectiveness factor does, in fact, perform if it is paid a premium over the price for bulk system energy. However, the CAISO should not reach further behind a supplier's system to see what the supplier is otherwise doing within its network of resources on its system

(for example factoring in what an importer's other imports and exports, scheduled flows, other loads and resources, etc. as described in the CAISO's most recent white paper.) The CAISO should treat all interconnected control area resources and imports on a comparable basis, and not establish new, more onerous requirements for importing from one particular IBAA as it suggests it may do with the SMUD/WAPA IBAA. Assuming that the CAISO limits its information and control requirements for unit-specific pricing to what is needed for dispatch verification WPTF believes a single hub design for the SMUD/WAPA IBAA may be more desirable than sub hubs.

- The CAISO should use standard WECC methods for resolving overloads on interconnections with the IBAA as the CAISO historically has done, and continues to do, on other intertie points. The CAISO indicates (white paper, page 7) that it may use Exceptional Dispatches for redispatch to avoid impacting LMPs. WPTF seeks further information on why standard WECC scheduling practices should not reasonably resolve this IBAA intertie flow issues.