

Comments on the post-Five Day Price Correction Process

Submitted By	Company	Date
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Dynegy appreciates the CAISO's work on this issue and the CAISO's candid dialogue on the April 12, 2010 call.

Prices must be determined in a transparent manner consistent with the CAISO's FERC-approved tariff. Changing prices unavoidably harms *someone* buying from or selling to the CAISO. Dynegy understands and shares market participants' desire for certainty (i.e., for prices to remain unchanged after five days), but does not believe that certainty should detract from the CAISO's obligation to calculate prices in accordance with its tariff.

Instances in which prices were not calculated according to the CAISO's tariff should be disclosed to all market participants. This should be done for several reasons. First, market participants harmed by a price correction should have an opportunity to evaluate the situation and take further action as they deem appropriate. Dynegy agrees that it is reasonable that market participants that wish to have prices corrected after the five-day correction period should face a higher bar when seeking to have those prices corrected. However, market participants should have the opportunity to seek such corrections, and the only way to ensure that market participants become aware of such errors is for the CAISO to publish all instances of price errors discovered after the five-day window.

Second, disclosing instances of price errors will help ensure that the CAISO takes appropriate and prompt action to address the causes of the errors. Disclosing price errors – and publicly addressing them - will engender market participants' confidence in the CAISO's market and settlement systems. Doing so will also increase market participants' confidence that an error detected for or by one market participant will be corrected for all.

Dynegy appreciates the CAISO's recognition that price errors resulting from process disruptions have the same effect as price errors resulting from miscalculations, and looks forward to further discussion on the topic of process-related corrections.

Again, Dynegy commends the CAISO for their work on this topic.