

## CAISO Response to Stakeholder Questions raised during the 02-24-09 IBAA Training

1. Is the New Melones generating unit subject to IBAA pricing?

**Response:** No, the New Melones facility is subject to a pseudo-tie agreement that effectively treats the unit as it is outside the system. Because of this agreement, New Melones is effectively under the control of another Balancing Authority and not the ISO. The ISO will model and settle transactions from the New Melones generating unit at its specific location.

2. How will the TRTC instruction affect the ETC credit calculation and the marginal cost of congestion? What congestion component will the ISO use for an ETC scheduled at Tracy?

**Response:** The ETC and TOR “perfect hedge” settlement is based on the congestion component of the LMP consistent with the IBAA pricing established for the specific Intertie Scheduling Point. For imports from the IBAA into the ISO, the ETC scheduled under the TRTC instructions will be modeled in the IFM and RTM with mapping to the Captain Jack substation. For imports, the perfect hedge will apply from this point. For exports from the ISO into the IBAA, the ETC scheduled under TRTC instructions will be modeled in the IFM and RTM with mapping to the SMUD Hub.

3. Can the ISO prepare numerical examples to demonstrate how prices at different Interties may diverge from the default LMP for imports and the default LMP for exports?

**Response:** Please see examples in the document entitled IBAA Transaction Examples dated March 17, 2009 at the following link:  
<http://www.caiso.com/1f50/1f50ae5b32340.html> under the heading “Additional Information”.

4. Is there a binding constraint report for IBAA Interties on OASIS?

**Response:** Yes, OASIS will report binding constraints for IBAA Intertie Scheduling Points. They can be queried by the associated ITC (Intertie Constraint), not by the Tname (Tie Name).

5. If an SC reduces its exports to the IBAA from the IFM in RT, will the SC get paid SMUD Hub price or does it get paid import price mapped back to the Captain Jack substation?

**Response:** For RT export schedules into the IBAA that are reduced from the IFM, the adjustment to the SC’s RT transaction will be settled at the SMUD Hub price.

6. When are the IDFs associated with the SMUD hub price updated?

**Response:** The SMUD Hub Intertie distribution factors are developed from a seasonal power flow base case study of the WECC region. Please refer to section G.1.1 of Appendix C of the MRTU tariff. The ISO is using WECC base cases to model the SMUD-TID IBAA. WECC base cases are available for Summer, Winter, and Spring seasons for each current year. The ISO will continue to use the Summer base cases until the beginning of the Winter season. For MRTU Go-Live, the IDFs are derived from the WECC Spring 2009 operating case. The IDFs for the IBAA are identified in the BPM for FNM.

7. Do the IDFs in the DB38 model reflect the IDFs the ISO will use for MRTU Go-Live?

**Response:** No, the Intertie Distribution Factors used in the DB38 model do not currently reflect the IDFs the ISO will use for MRTU Go-Live because the ISO will be going live with DB39. The ISO has updated the go live FNM with the IDFs in the BPM for FNM to be posted for go live. The ISO has released CRR FNM DB38 as part of the monthly CRR process.

8. The OASIS APN or Node ID (Export) has 2 different prices that are driven by the loss component. Is this accurate?

**Response:** Yes. The prices resulted from a difference in the LMP calculation for a scheduled resource and an inaccurate LMP reported at a pricing point where there was no scheduled resource. The ISO has corrected this error. The ISO will incorporate this correction into the production model before MRTU Go-Live.

9. Will DB 38 (next CRR FNM to be released) provide buss/branch level detail of the IBAA that the CAISO is using?

**Response:** Yes, the CRR FNM that the CAISO released for the annual CRR process (DB32) and the CRR FNM released for the monthly CRR process (DB38) includes the same bus-branch topology that is used in the IFM and RT markets.

10. What distribution factors are being used for the SMUD hub? How are they determined and do they change by season? Where can these be found?

**Response:** The SMUD hub uses load-based distribution factors. These distribution factors are determined from a seasonal power flow base case study of the WECC region. These distribution factors will be in the FNM BPM that will be released in March 2009.

11. What is the inter-relationship between CRRs and the modeling of the IBAA. CRRs allow an SC to select any of the individual import/export points (i.e.

Rancho, Lake, Tracy, etc). What price point do these map back to for CRR settlement in the IFM?

**Response:** The CRR source/sink (imports/exports) are mapped back to a corresponding PNode in the FNM. In the IFM they will be mapped to the same PNodes for Settlements. If any updates/changes are made in subsequent releases, the CRR team will provide the necessary mapping information. The CRR settlement for the Scheduling Points will map back to the same location as in the IFM.

12. Are BPMs related to the IBAA current?

**Response:** The FNM BPM contains the content related to the IBAA.