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Sent via email

## **CAISO Board of Governors Meeting**

### **General Session – May 18, 2011 2012 – Grid Management Change Rate Design**

DC Energy submits these very brief comments on the CAISO 2012 Grid Management Charge (GMC) final proposal. DC Energy presently participates in both the convergence bidding and CRR markets and believes: (a) market participants should bear an appropriate share of the GMC costs applicable to the markets in which they participate (as they share in the benefits of these markets); and (b) the rates proposed, while significant, are not overly onerous.

DC Energy believes the CAISO staff has done an excellent job process wise to reach this final proposal. Such process started well in advance of the proposed January 1, 2012 implementation date. This, well in advance process, was especially important as the 2012 GMC includes a new charge for CRR participants.

### **General Session – May 19, 2011 Decision on Data Release Phase 3**

DC Energy appreciates the ability to present comments on the Data Release Phase 3 Proposal. DC Energy, in general, supports the CAISO staff in their efforts to increase transparency through additional data release as well as through a defined process how new requests for additional data transparency will be dealt with. As we are sure the Board appreciates, this step forward is beneficial to overall market transparency that fulfills a basic tenet of competitive markets. We encourage CAISO to standardize the reporting of certain information (e.g., "to/from buses") so that market participants can make better sense of posted information and participate more effectively / efficiently.

### **Decision on Data Release Phase 3 (continued)**

DC Energy continues to advocate that transparency has multiple benefits to the CAISO market including the fact that data availability is a key issue for market liquidity (i.e., least-cost, security-constrained economic dispatch provides opportunity for participants to forecast prices based on expected future states of the market and access to data is a key limiting factor for increasing confidence in forecasting) as well as public market monitoring.

One additional comment we would like to bring to the Board's attention, in light of the upcoming agenda item report on market performance, is another basic tenet of competitive markets -- price finality. Recently there have been a number of significant Real-time LMP corrections several days after RT prices have been posted and this is contrary to a robust competitive market. Price corrections erode trust in the market and some participants, sensing this increased risk, will put an additional premium in one's bids, which may have upward pressure on prices. We encourage the Board/staff to take steps to lessen the negative impact of this practice -- including (a) providing timely notice of the possibility of such corrections, (b) shortening the timeframe for which price corrections are permitted (e.g., from the current five-day window to perhaps three), and (c) reducing the frequency of such price corrections.