

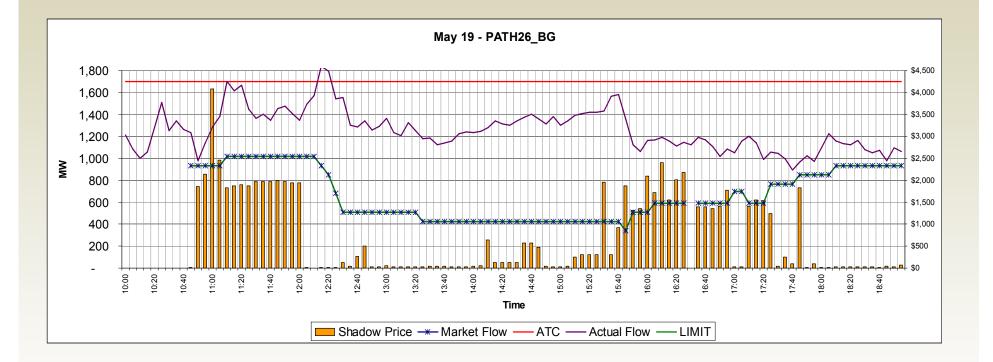
Review and Response Market Performance



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Market Surveillance Committee June 17, 2009

May 19th Review





May 19th: Conditions

Transmission Maintenance and Derates

- Path26 limited to N-S 1700MW from 4000MW
- Imperial Valley 500/230 kV Bank-81 clearance, limiting Imperial Valley generation & imports from CFE to SDGE
- Unanticipated Events
 - PDCI Schedules Cuts due to Balloon in line
 - mitigation of the Victorville branch group

Actual Loading Conditions

- Load shift from north to south by about 600+MW
- Additional intermittent resources generation of 500+MW above DAM
- Loop-Flow
- Resource Ramping / Capacity Limitations
 - Ramping capacity in area was not always sufficient to relieve constraint in 5 minutes
 - Capacity encumbered by awarded regulation and spin/non-spin capacity



Real-Time Market Performance Improvement Plan Near Term

1. Load forecast and distribution

- Improve convergence of forecast between RTPD and RTD
- Improve load distribution

Implemented Improvements

- Update load forecasting model approach as load turns
- Reduce need for biasing load forecast between RTPD and RTD
- Use up-to-date Load Forecast Zones to allocate Real-Time system forecast
- Provided functionality to update LDF from the previous hour
 Additional Improvements being evaluated
- Further refine 5 and 15-minute load forecasting capability
- Make use of more similar day attributes such weather conditions to select accurate LDF's for forecast conditions



Real-Time Market Performance Improvement Plan Near Term

2. Transmission Limit Management

- Reduce sources of actual and model flow differences
- Refine operational margins
- Smooth changes to transmission limits

Implemented Improvements

- Building transmission margins desktop procedure
 - Accounts for natural difference with DA, RTPD and RTD
 - Provides consistency across crews
- Internal tool
 - Calculated market and actual flow differences
 - Allows greater visibility and consistency for Grid Operators
 - Provides single interface for transmission flow true-up



Real-Time Market Performance Improvement Plan Near Term

3. Low generation ramping availability

- Align 5-minute ramp capability with constraint relief timing
- Access to reserve capacity to relieve constraints

Implemented Improvements

- Graduating bias over several intervals to smooth impact
- Align limit management and relaxation with timing with operational timing to resolve constraint
- Improve limit management process in the DA market

Additional Improvements being evaluated

- Recognize the availability and use of regulation ramping capacity
- Evaluate ways to improve access operating reserve for short-term imbalance events
- Reconsider contingency-only reserve rules



Real-Time Market Performance Improvement Plan Longer Term

- Pursue further refinements to the real time market optimization that would reduce ineffective (but mathematically correct) dispatch
 - Parameter Tuning
 - Shift Factors (Lossy vs. Lossless)
 - Effectiveness Threshold

