

# Stakeholder Comments Template

## Subject: Post-Five Day Price Correction Straw Proposal and Addendum

Submitted by	Company	Date Submitted
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SMUD appreciates the CAISO's continued effort to incorporate Market Participant feedback regarding Post Five Day Price Corrections and the opportunity to comment.

SMUD believes the CAISO should strive for accuracy within the current 5 day Price Correction Time Horizon window, but in the event the need for a Price Correction becomes apparent after this window we agree there needs to be clear policies outlining the course of action and expectations for market participants. The CAISO has posted an addendum, on March 19, to the original straw proposal posted on March 4<sup>th</sup>. Based on the addendum SMUD provides the following comments and requests further clarification.

### *Price Corrections*

While we prefer a timeline that more closely follows the Settlement Dispute cycle, the addendum proposes to remove any window of price corrections after the 5 day Price Correction Time Horizon has expired, unless a price is found to be inconsistent with the CAISO Tariff and there is "Good Cause" to consider correcting the price. If this strict 5 day price correction window is to be enforced, we request additional clarification with respect to what the CAISO would consider "Good Cause"? Will the CAISO come to the conclusion "Good Cause" exists for a potential price correction before or after it performs and presents the analysis to the Market Participants? SMUD believes it appropriate that an analysis/technical bulletin be posted whenever the CAISO becomes aware of a price outside of the 5 day price correction time horizon window that was calculated inconsistent with the Tariff. As the CAISO has the duty to produce accurate prices initially, the occurrence of post 5 day corrections should be relatively few, therefore SMUD expects that the burden of performing an analysis and presenting it to the market would be minimal.

One of the factors the CAISO stated will be used in an analysis is the number of impacted Market Participants. This data would be incomplete without feedback from participants as there are many types of transactions that could be affected by the LMP in question.

We agree this is valuable to an analysis, but we encourage the CAISO to not use this as a deciding factor in determining whether or not a price correction should be performed.

The CAISO proposes a 5 day look back; to not change prices that are outside the 5 day window. SMUD would like to know if this will be based on a look back from the discovery date or some other relevant date.

### *Processing Issues*

As stated in our previous comments, one of our main concerns is with the accuracy of OASIS and the ability to use it for validation purposes. In the original straw proposal, the CAISO committed to posting resource level prices identified through disputes to OASIS. In the addendum, the CAISO goes on to clarify there is a difference between a resource level “price adjustment” and a “price correction”. If a resource level “price adjustment” is made, as described in the Addendum, is there a potential for this price to not match the OASIS LMP or would the CAISO correct this resource level price on OASIS as stated in the straw proposal? We would like the proposal to further clarify that if we do see a price in our settlement statement that should be settled at the financially binding LMP (no settlement calculation involved) we should be able to go the OASIS to validate the LMP. If through a dispute it is discovered that there is an inaccurate price posted to OASIS that does not match the settlement statement (and should) will then, this fall into the “processing issue” category, and lead to a change on OASIS? This type of change, again, would hopefully be rare, but in the interest of transparency the CAISO should be able to change this price without a FERC waiver.