

SMUD appreciates the CAISO undertaking this stakeholder process to address the transparency of price corrections beyond the 5 day price correction time horizon. Through the Tariff the CAISO has stated they have the authority to recalculate prices that were calculated inconsistent with the Rates, Terms and Conditions of Service specified. Recognizing the need for price accuracy and transparency in the market, the CAISO has the responsibility of presenting the market with accurate data.

Post five day correction criteria

If a price is found to be calculated inconsistently with the CAISO tariff, and the CAISO is able to recalculate the price accurately this price should be corrected and a market wide correction should be made. This need should not be based on an impact threshold. The “Breadth and Scope” threshold that the CAISO referred to in the Post Five Day Price Corrections issue paper should not be a factor in whether to correct a price.

If the inconsistent price calculation is found through a participant’s settlement statement dispute the relevant LMP should be corrected. CAISO should not consider correcting prices within a Participants Settlement statement and not posting those corrected prices to the entire market. The LMP used in calculation of the settlement and CMRI should always match the price posted to OASIS. There are many types of transactions that are based on various CAISO LMP’s, for accuracy in these market based settlements, all prices must be posted to OASIS correctly.

Processing Issues

If a price is not posted to OASIS due to a CAISO system processing error as described in the Post Five Day Price Corrections issue paper, once the issue has been discovered the price should be posted to OASIS. Historically, there have been issues with missing interval prices in both the Day Ahead and the Real Time market. When these issues are discovered they should be posted and used in relevant settlement statements. The OASIS should be an accurate source for all relevant market prices to be utilized for validation purposes by market participants; and is currently the only source of validation for Real Time Settlement prices.

Post Price Correction Time Horizon

In recognition of the need for price finality SMUD is agreeable to a post price correction time horizon that follows the current CAISO settlement and dispute cycle. A separate limited look back provision, as suggested in the Post Five Day Price Corrections issue paper, should not be considered if the price correction time horizon follows the settlement and dispute cycle.