



SCP I Process Limitations – Market Participant Conference Call

Nancy Traweek

Director of Market Services

Leading a Market Participant Conference Call on
Thursday, May 13, 2010

Agenda

- SCP I Operational Concerns – Overview
- Potential process modifications – Discussion
- Proposed modifications to implementation process for SCP II
- Next Steps

SCP I - Background

- SCP I was implemented on January 1, 2010
- Several Market Participants have expressed concerns with current process limitations
- Internal ISO meetings to address immediate concerns
- Initial MP Conference Call 5/13/10 to review concerns and proposed process modifications

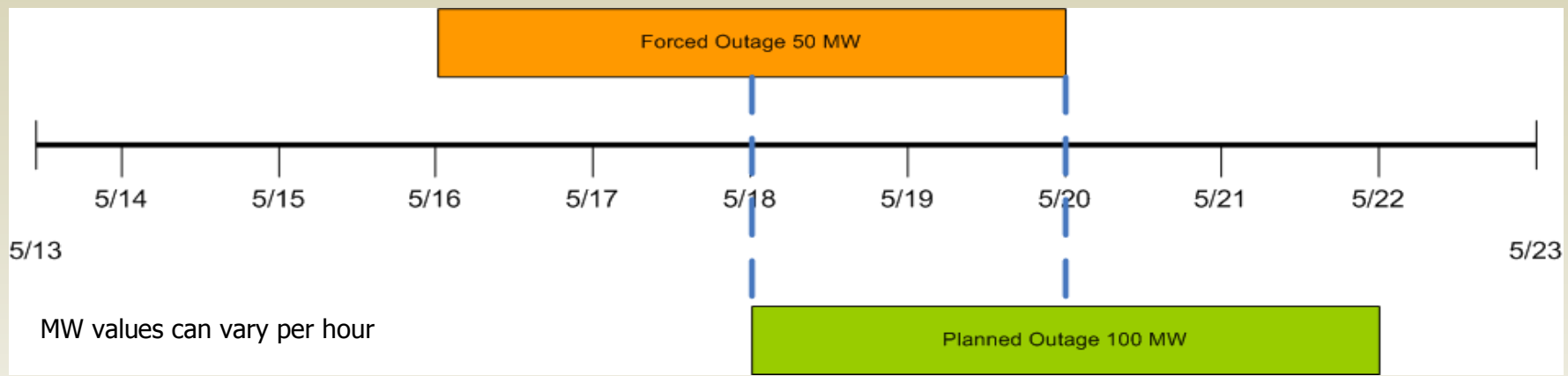
Identified concerns with the current SCP I process

- Effective administration of SCP accounting between overlapping “forced” and “planned” outages on the same resource
- Limitations on updates to generation outages based on cause
 - Ambient vs. Forced
 - Ambient vs. Not due to temperature.
- Limitations in correcting inadvertent resource plan reporting errors
- Limitations in providing approved alternate path non-system resource due to transmission limitation or outage

Post Process updates

- **ISO would consider post process updates:**
 - On an exception basis for updates to generation outage information after the end of the outage for a 7 business day window
 - Transmission Outage revision is discovered after the showing due date that limits the ability of the system resource to deliver at the specified tie.
 - Supply contract becomes undeliverable at the registered resource location for reason beyond the control of the entity responsible for the RA Supply Plan.

Possible options to account for “forced” / “planned” outage overlap



- Leverage the “MW Curtailed” field in SLIC for the individual outages to calculate a percentage of availability due to the forced outage(s)
- Determine the difference in availability between the forced and planned outages in a post process
- Market Participants to report the forced outage amount through a post process mechanism
- Suggestions from Participants

Proposed near-term internal resource exception update process

- Market Participants submit update request including associated reason to a pre-established ISO email box.
- ISO would review requests and respond with approval or denial and associated reason.
- Approved requests would be updated as a post process prior to processing SCP settlements.

Proposed process modifications for system resource RA updates

- Market Participants with an update request would email a revision request a pre-established ISO email box
- ISO would review requests and respond with approval or denial and associated reason.
- ISO would update systems with revised System Resource RA values for approved requests and set the changes to be effective in 2-3 business days. Note that adjustment would only be effective going forward beginning with the earliest feasible effective date in the future.
- Market Participant would begin bidding using revised resource starting with the effective date of the change.

Proposed SCP II implementation process

- Proposed for Market Participant consideration
 - Three month advisory settlement period for SCP II post 1/1/2011 implementation for Variable Energy Resources with RA contracts
- Automation of near-term modifications in conjunction with the implementation of SCP II, to extent possible
- SCP II Market Participant implementation meetings
 - Update as to timing of meeting at June 8 Market Performance and Planning Forum

Next Steps

- Market Participant follow-up Conference Call – week of May 24
 - Additional details for SCP I process modifications