

Stakeholder Process: Post-Five Day Price Corrections

Summary of Submitted Comments

Stakeholders submitted three rounds of written comments to the ISO on the following dates:

- Round One – February 19, 2010
- Round Two – March 26, 2010
- Round Three – April 16, 2010

This matrix summarizes comments provided on the Straw Proposal (posted March 4, 2010), the Addendum to the Straw Proposal (posted March 19, 2010), and the Draft Final Proposal (posted April 2, 2010).

Stakeholder comments are posted at: <http://www.caiso.com/2733/2733dab218d20.html>

Other stakeholder efforts include:

- Stakeholder Conference Calls:
 - February 12, 2010
 - March 11, 2010
 - April 12, 2010

	Management Proposal					
	Maintain five-day price validation time horizon	Binding market prices will not be changed outside the five-day price validation time horizon	FERC waiver required to change prices after five days	Changes to resource-specific prices as part of the settlement disputes process	Transparency	Processing issues
DC Energy	Feels that the five-day window should move to a three-day window	Supports	–	–	–	Suggests that all changes to prices be subject to the 5-day cut-off
Dynegy	Supports, with the goal of moving to a shorter window in the future	–	–	–	States that all instances in which prices are calculated in a manner inconsistent with other tariff provisions be communicated to market participants	Appreciates that this issue being tackled
JP Morgan	–	Supports	–	–	Recommends that the ISO provide transparency into process of deciding whether or not to make a price correction after 5 days	–
Maquarie	–	Supports	Supports	Supports	–	Would like a commitment on the dates associated with this effort
Mirant	–	Supports	Supports	–	–	–
PG&E	Supports	Supports; Requests the establishment of a “database of record”	Supports	Supports a continuation of the existing dispute process	Requests greater transparency regarding all post-five day price issues	Encourages aggressive timeline and initial goal for tackling this issue

Management Proposal						
	Maintain five-day price validation time horizon	Binding market prices will not be changed outside the five-day price validation time horizon	FERC waiver required to change prices after five days	Changes to resource-specific prices as part of the settlement disputes process	Transparency	Processing issues
Powerex	–	Supports	Supports	–	Urges Management to provide notice of all potential price corrections	Appreciates the commitment to tackle this issue and stresses the need for an aggressive initial goal and timeline
SCE	Supports	Does not support since MRTU is in its infancy	Does not support since MRTU is in its infancy	Would like confirmation that disputes will not lead to market-wide changes in prices	Requests greater consistency or explanation of reasons for price corrections/changes	–
SMUD	–	Prefers a timeline for price finality that is closely tied to the dispute timeline	–	–	Requests clarification of the discretion of “good cause” to pursue a potential price correction	Wants processing issues minimized, but does not want a FERC waiver required to make adjustments necessitated by processing issues
WPTF	Supports, but requests a firm date on which this will be re-evaluated	Supports	Supports	–	Strongly supports a mechanism for communicating all potential price correction related items to market participants	–

Management Proposal						
Management Response	Maintain five-day price validation time horizon	Binding market prices will not be changed outside the five-day price validation time horizon	FERC waiver required to change prices after five days	Changes to resource-specific prices as part of the settlement disputes process	Transparency	Processing issues
	Management has amended the relevant business practice manual to indicate that the price correction time horizon will be re-evaluated annually	Management is pleased to offer this proposal which was developed in response to resounding feedback from participants that price certainty is critical. Through the initiative to address processing issues, we plan to identify a "database of record"	The need to seek a FERC waiver to change prices after five days honors price certainty by setting a high bar for prices changes. This proposal is consistent with practices at other ISO/RTOs	Management clarifies that changes to settlement statements that come out of valid disputes will only reflect adjustments to settlement calculations, and not to binding market prices	Management commits to continuing its current practice of providing descriptions and analysis (as feasible) of any post-five day price correction considered. The disclosure of pricing issues that require confidential proceedings with FERC will be delayed	Management has committed to an evaluation of the needed monitoring and process enhancements necessary to limit processing issues. The initial freeze on changes due to processing issues is 20 business days after the trade date