



CALIFORNIA ISO

95 % Day-Ahead Scheduling Requirement Under MRTU

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**Greg Cook
Manager, Tariff and Regulatory Policy**



Background

- 95 percent scheduling requirement for day-ahead market filed (A-72) in September 2005 to address trend of increased underscheduling in day-ahead market
- A-72 included provision to end day-ahead scheduling requirement when MRTU implemented
 - Formal day-ahead energy market
 - MRTU includes residual unit commitment process
 - CPUC resource adequacy requirements in place
 - Not clear what 95 percent scheduling requirement would mean under MRTU design (where load is allowed to submit a price-quantity curve)
- Convergence bidding planned to be implemented in MRTU release 1A as soon as practicable after implementation of release 1 in Nov 2007



Stakeholder Concerns raised about Eliminating 95% Scheduling requirement under MRTU Release 1 absent Convergence Bidding

- LSEs may under bid demand in day-ahead market in an attempt to lower day-ahead energy prices
- The cost of RUC capacity may not be sufficient to counter LSE incentives to shift load to real-time
 - Large portion of RUC capacity may be owned or controlled by LSEs and required to be offered into the RUC market at \$0/MW
- Some parties recommend keeping 95% scheduling requirement until Convergence Bidding is implemented



MSC Discussion

1. Pros and cons of implementing day-ahead scheduling requirement under MRTU
2. Mechanics and feasibility of implementing day-ahead scheduling requirement under MRTU design
3. Impact of convergence bidding in relation to day-ahead scheduling requirement