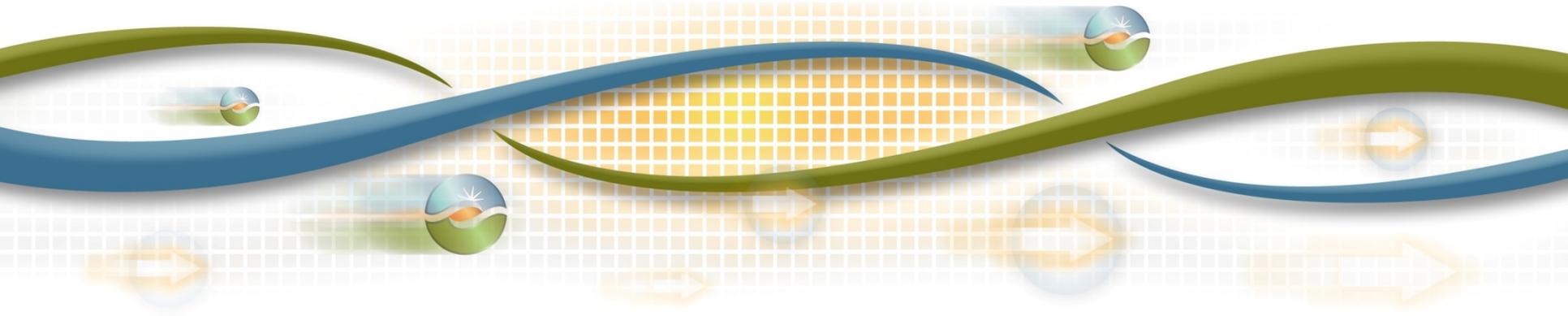


Pay for Performance Regulation Year 1 Design Changes

Don Tretheway

Lead Market Design and Policy Specialist

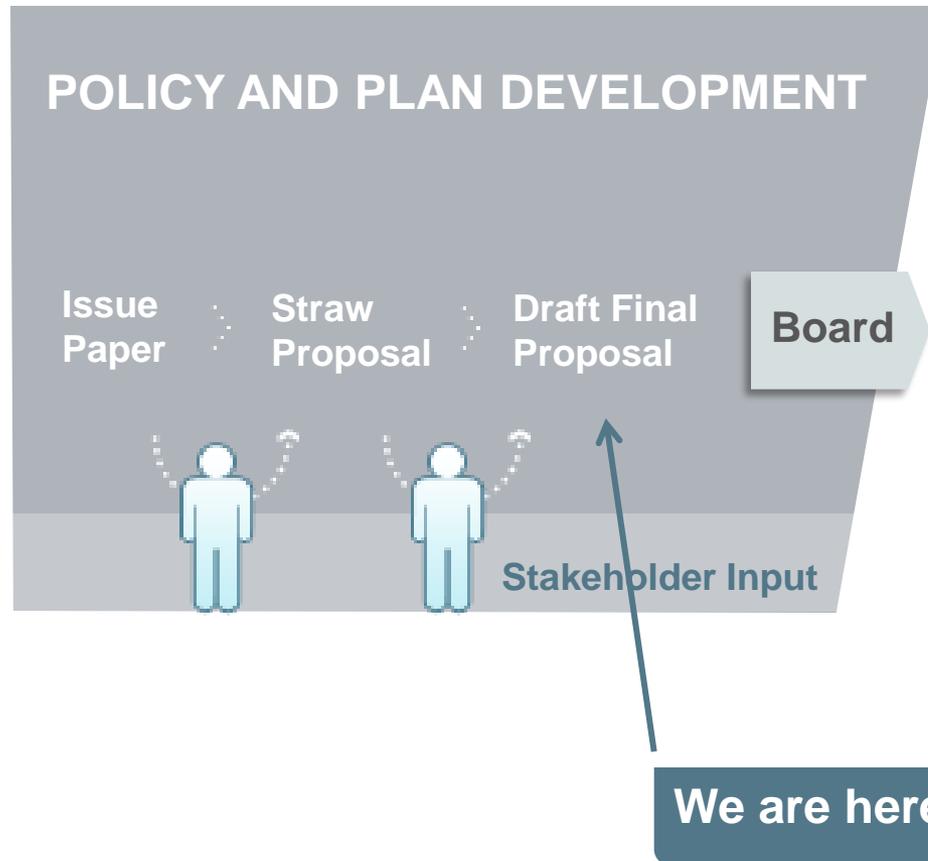
October 3, 2014



Agenda

Time	Topic	Presenter
9:00 – 9:15	Introduction	Kristina Osborne
9:15 – 10:45	Discussion on Changes	Don Tretheway
10:45 – 11:00	Wrap-up and Next Steps	Kristina Osborne

ISO Policy Initiative Stakeholder Process



ISO proposes two minor changes...

1. Change monthly performance calculation from simple average to weighted average based on mileage
2. Lower minimum performance threshold to 25% from 50%

Appropriate to consider additional design changes after resource mix changes

Using the weighted average increases monthly accuracy calculation

Month	Jun-13		Jul-13		Aug-13		Sep-13		Oct-13		Nov-13		Dec-13	
Type	Down	Up												
Weighted Average	51%	51%	62%	42%	52%	41%	55%	41%	57%	43%	54%	46%	47%	49%
Simple Average	33%	39%	56%	35%	45%	35%	47%	34%	51%	31%	49%	40%	42%	41%

Month	Jan-14		Feb-14		Mar-14		Apr-14		May-14		Jun-14	
Type	Down	Up										
Weighted Average	49%	44%	49%	43%	43%	45%	56%	43%	50%	46%	56%	41%
Simple Average	44%	37%	43%	36%	38%	37%	50%	35%	45%	38%	49%	37%

Next Steps

Item	Date
Post Draft Final Proposal	September 26, 2014
Stakeholder Conference Call	October 3, 2014
Stakeholder Comments Due	October 10, 2014
Board of Governors Decision	November 12-13, 2014

Please submit comments to PFPRregulation@caiso.com by October 10