

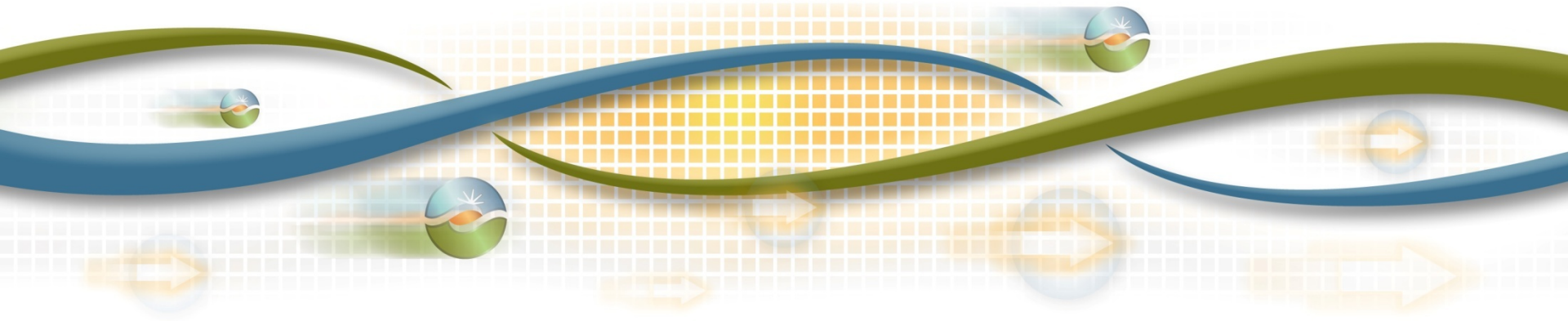


Bidding Rules Enhancements FERC Order 809 - round 1 stakeholder comments

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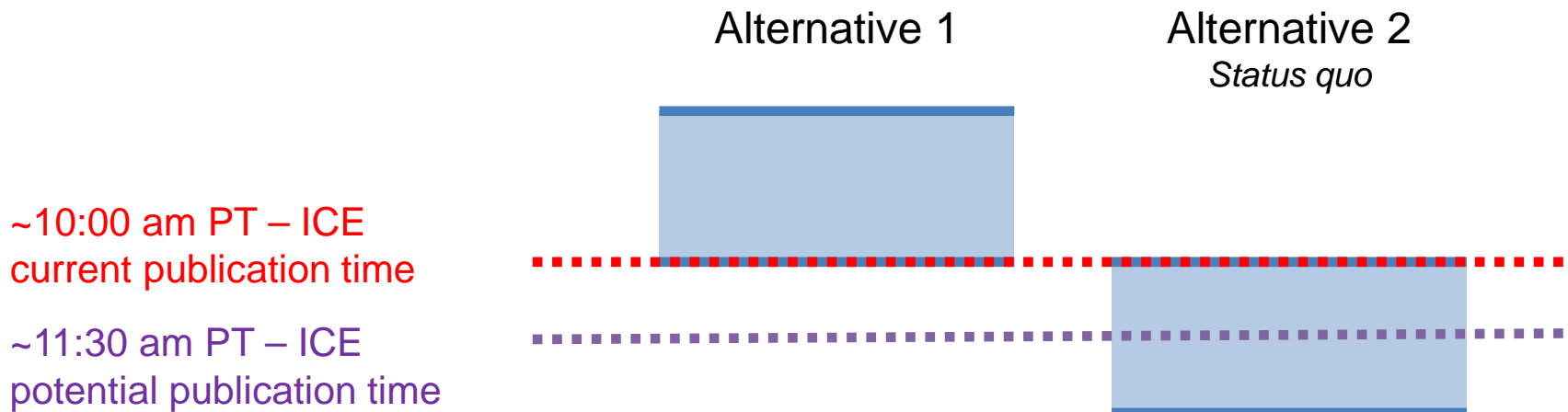


Observations

Observation	ISO comment
Gas <u>trading</u> : is most liquid from around 5:30am PT to 7:00am PT	Important to allow for participation in the gas market during this time
Timing of gas trading is unknown	Agreed – the ISO may or may not be able to retain the manual gas update process (see later slide)
Gas <u>scheduling</u> : is separate and will have deadline extended to 11:00am PT	California is not capacity constrained for the most part
Alternative 3 is not supported	ISO to remove from consideration
ISO should reduce run time	ISO would like to improve but currently has the shortest run time (see later slide)

ICE publication times and DAM close

- ICE publishes its index after the bulk of the financial trading is done and 30 min after the current close of the Timely Cycle (~10:00am PT).
- In future, when the Timely Cycle closes at 11:00am PT, ICE may decide to publish 30 min after the close (~11:30am PT)
- If this happens, Alternative 1 would not be able to leverage the ICE index to update the gas price used in the day-ahead market run.



Day-ahead market close and publication timelines

Table 6 Electric Commitment Results Publication Timetable

ISO/RTO	Time for Submission of Bids (CCT)	Time for Publication of Day-Ahead Commitment Bids (CCT)
California Independent System Operator Corporation (CAISO)	12:00 p.m.	3:00 p.m.
ISO New England Inc. (ISO-NE)	9:00 a.m.	12:30 p.m.
PJM Interconnection, LLC (PJM)	11:00 a.m.	3:00 p.m.
Midcontinent Independent System Operator, Inc. (MISO)	10:00 a.m.	2:00 p.m.
New York Independent System Operator, Inc. (NYISO)	4:00 a.m.	10:00 a.m.
Southwest Power Pool, Inc. (SPP)	11:00 a.m.	4:00 p.m.

Source: Federal Energy Regulatory Commission, 151 FERC ¶ 61,049, P 76.

Questions assuming Alternative 1 is selected

- What benefits could be provided by trading gas during a potentially illiquid portion of the Timely Cycle (e.g., 10am-11am PT) versus the Evening Nomination Cycle?
 - Can nominations be completed in an hour or less during this time (e.g., 10am-11am PT)?
- What percentage degradation would be experienced for load, VER, hydro, and gas price forecasts? Over a year? Two years?
- When answering these questions, please be as quantitative as possible.
- CAISO may post additional questions for consideration leading to May 27 comment deadline.
- CAISO expects to communicate with stakeholders on decision by mid-June

Next steps

Date	Event
Wednesday, December 3	Issue paper posted
Wednesday, December 10	Stakeholder call
Tuesday, December 30	Stakeholder comments due
Wednesday, April 22	Straw proposal posted
Wednesday, April 29	Stakeholder meeting
Wednesday, May 6	FERC 809 comments due
Wednesday, May 13	Stakeholder comments due
Friday, May 15	Stakeholder call on FERC 809 only
Wednesday, May 27	FERC 809 comments due
Friday, June 19	Revised straw proposal posted
Friday, June 26	Stakeholder call
Friday, July 10	Stakeholder comments due
Tuesday, August 11	Second revised straw proposal posted
Tuesday, August 18	Stakeholder call
Tuesday, September 1	Stakeholder comments due
Tuesday, October 6	Draft final proposal posted
Tuesday, October 13	Stakeholder call
Tuesday, October 27	Stakeholder comments due
Thu/Fri 12/17-12/18/15	Board of Governors meeting

Dates in red are for the FERC 809 filing discussion only.

Please submit comments to initiativecomments@caiso.com