

Stakeholder Comments Template
Subject: GMC Charge Code 4537 – Market Usage
Forward Energy Straw Proposal

Submitted by (Name and phone number)	Company or Entity	Date Submitted
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Citigroup Energy Inc. submits these comments in response to the CAISO's GMC Charge Code 4537 – Market Usage Forward Energy Straw Proposal, which was posted on August 28, 2009 at <http://www.caiso.com/23f1/23f1eeab40a20.html>. In accordance with the instructions, CEI is submitting these comments by the deadline of Friday, September 4, 2009.

The CAISO seeks stakeholder input on the following:

1. Do you support the ISO's straw proposal to eliminate ISTs from the MUFE calculation? Please explain why.

Yes. For the cost-causation and other reasons explained in great detail by WPTF and FIEG in their filings with FERC, CEI believes that removing the ISTs from the MUFE calculation is appropriate.

2. If you do not support removing ISTs from the MUFE calculation, what alternative do you propose? Please explain why your alternative is preferable to the ISO's straw proposal.
3. Do you support the ISO's straw proposal to continue netting physical energy in the MUFE calculation? Please explain why.

No, CEI does not.

4. If you do not support the netting option, what alternative do you propose? Please explain why your alternative is preferable to the ISO's straw proposal.

In the straw proposal, the CAISO acknowledges on page 6 that the gross calculation is "probably the best option from a cost causation standpoint." For this exact reason, the CAISO should implement a "gross" methodology.

In its presentation, the CAISO explains that "Market Usage Forward Energy contains the activities associated with determining the market prices, maintaining and controlling the OASIS, monitoring market performance, ensuring generator compliance with market protocols, and calculating the results of the Integrated Forward Market (IFM)." It is difficult to comprehend based on the information available and the CAISO's statement why the CAISO could employ any type of "netting" associated with an organization's overall portfolio when considering MUFE. This charge code should be specific to any physical transaction at any node.

In addition, in making this comment, CEI assumes that the CAISO looks at individual megawatt transactions at pnodes and LAPs independently, regardless of a portfolio total, when evaluating the above "activities" cost. If netting were to be implemented for this charge with no transparent evaluation of netting on the actual charge itself, this charge could be considered discriminatory because it would over-allocate costs to market participants using a method that is not rationally related to relevant transaction activity.