

Stakeholder Process: Revisions to price correction requirements

Summary of Submitted Comments

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

- Round One, June 6, 2013
- Round Two, July 8, 2013
- Round Three, July 29, 2013

Stakeholder comments are posted at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/RevisionsPriceCorrectionRequirements.aspx>

Other stakeholder efforts include:

- Stakeholder Teleconference/Web Conference, May 30, 2013
- Stakeholder Teleconference/Web Conference, June 27, 2013
- Stakeholder Teleconference/Web Conference, July 22, 2013

Market Participant	Adjust the closing time of inter scheduling coordinator trades	Revise the time horizon for price corrections	Clarify the types of processing and publication issues	Provide more timely communication about price corrections	Change Scope for price corrections (Not included in the final proposal)
PG&E	Supports the change of closing time	Supports final day-ahead publication with timely notification of potential corrections. Both accuracy and certainty of prices are important.	Supports 20 days for hardware/software issues and business process issues. Supports the clarification of processing and publication issues.	Supports the changes for communicating price corrections.	Supports revisiting scope for real-time price spikes and congestion.
SCE		Emphasizes the importance of price accuracy. ISO should have same or more flexibility than existing one to ensure prices are correct. Supports 5 business days.	Four categories are acceptable for 20 days, but encourages more analysis to reduce from 20 days to 5 days. Accuracy is most important.	Supports the proposed communication.	Supports expanding the scope for price corrections.
Six Cities	Supports accurate solution over publishing before 13:00	Accuracy is most important ISO should correct where the impact would be significant. Supports 5 business days and even more days if market impact is high.	Four categories should be explicitly listed as a reason to extend window to 20 days. No position on additional items, not opposed to additional categories.	Supports notice of potential price corrections.	No position on current scope but should be revisited to determine if additional items should be included to ensure accurate prices.
SMUD		Favors price accuracy over certainty, even if more time is needed. Does not support shorter day ahead correction window if quality of analysis is compromised. Price corrections should be addressed upfront.	Suggest a placeholder to be able to correct prices even after 20 days.	Does not find the communication of price correction in the 3 rd and 5 th day very helpful.	Believes that criteria in BPM where corrections will only be made for "good cause" based on assessment of market impact is too subjective and should be replaced with something more objective like a dollar threshold.

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Calpine		<p>Supports 3 business days for day-ahead price corrections.</p> <p>Supports 5 business days for real-time price corrections.</p> <p>Certainty is most important.</p>	<p>Four categories are acceptable for 20 days but no expansion of categories.</p> <p>If a price correction begins before the tariff deadline, but cannot be completed within the tariff deadline, the corrections should be allowed to continue.</p>	<p>Supports notice of potential price corrections but warns against flagging all prices.</p> <p>Supports final day-ahead publication with timely notification of potential corrections.</p>	<p>Strongly objects to price corrections for mismatched model flows or data update spikes.</p>
NRG Energy		<p>Supports 5 business day window.</p> <p>Does not support 20 day window.</p> <p>Certainty is most important.</p>		<p>Supports final day-ahead publication with timely notification of potential corrections.</p> <p>Supports extension of 13:00 deadline only for instances of gross error and only supports an extension of one hour.</p> <p>Notice is helpful but not critical.</p>	<p>ISO should work to ensure no systematic differences between its day-ahead and real-time markets, and that both markets accurately reflect system conditions as they are forecasted or realized at the time. These problems, however, are not price correction problems.</p>
WPTF	<p>Supports nominal delays in 13:00 deadline</p>	<p>Supports final day-ahead publication with timely notification of potential corrections.</p> <p>Values price certainty about the possibility of price corrections</p>	<p>Supports 20 business day window for processing.</p>	<p>Strongly encourages the ISO to develop a regular report of price correction investigations.</p>	<p>Supports the consideration of thresholds for corrections, especially for making the trade-off between posting in a timely manner or publishing suspect prices.</p>

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GridSpeak		Supports a 3 business day price correction window. Timing and certainty is most important.	20 business days for catastrophic market events and complex manual corrections. Volumetric and business process issues should not have 20 business days.	Supports final day-ahead publication with timely notification of potential corrections. Would like to see day-ahead corrections only for catastrophic events rather than data input errors.	Does not support corrections for a data input error.
Morgan Stanley Capital Group	Does not oppose	Supports the timeline changes for day-ahead but prefers the current timeline for real-time is maintained.		Strongly supports notice of potential price corrections. Communication about price corrections activities is useful but secondary. More transparency is needed to dispel suspicions about the process.	Do not correct prices that are in error by less than \$0.25/MWh. Recognizes that it will be complicated to create a standard for the magnitude of error that would warrant a correction.
Financial Marketers (Solios Power /SESCO/XO Energy)		Reducing the time horizon to 3 business days helps but does not alleviate underlying issues of why ISO must price-correct frequently.	Does not support the proposed clarifications about processing and publication issues.	Timely notification of price correction is very helpful, but is not a complete solution.	Believes that current three categories need clarity. Particularly the tariff inconsistency category and issues related to congestion.