

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
Sue Mara RTO Advisors (415) 902-4108 sue.mara@rtoadvisors.com	Direct Energy	September 4, 2009

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

Yes. Direct Energy strongly supports the CAISO's proposal regarding the ISTs.

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.

Not applicable.

3. Do you support the ISO's straw proposal to continue netting physical energy in the MUFE calculation? Please explain why.

No. Direct Energy does not support Option 1, because it is not consistent with cost causation principles, as admitted by the CAISO in its August 28 Straw Proposal (p. 6). In addition, the netting approach used in Option 1 discriminates against load-serving entities ("LSEs") that own no generation, such as electric service providers (ESPs").

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.

Direct Energy strongly supports Option 2, which is consistent with cost causation principles and treats all market participants equally.