

Comments on the Market Initiatives Roadmap Process  
Report on Ranking of high Priority Initiatives  
Submitted by Brian Theaker, Dynegy  
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Dynegy thanks the CAISO for the opportunity to submit these comments.

In general, Dynegy believes the set of nine market initiatives that received a priority ranking of "high" is a reasonable set of initiatives. For reasons described in previous comments, Dynegy objects to the low ranking assigned to procurement of voltage support.

Dynegy urges the CAISO to accelerate implementation of the 30-minute reserve product to the MAP release. Doing so will facilitate implementing local scarcity pricing simultaneously with system-wide scarcity pricing.

Dynegy also appreciates why the CAISO emphasized feasibility scores in developing this ranking, but urges caution about using CAISO feasibility as a primary ranking indicator. Market participants may not fully understand what is involved in implementing certain market initiatives and therefore may not understand the proposed feasibility score. One example of such misplaced stakeholder expectations about what it would take to implement a market change is the effort the CAISO asserted is involved in using bid-in, rather than forecast, demand in the MPM-RRD part of the IFM. Dynegy urges the CAISO to develop a means to describe and quantify the implementation impacts of market initiatives in a way that will make the feasibility score more accessible to and understandable by market participants. This could include, for example, a list of the affected market systems and processes, some quantification of the effort involved in modifying those systems, examples of similar systems in place at other ISOs and, if known, the costs associated with implementing those systems in the other ISOs.