Dynegy Comments on the Real-Time Imbalance Energy Offset (CC6477) September 4, 2009

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Dynegy urges the CAISO to aggressively implement a two-tiered allocation of Charge Code 6477.

While exempting load-following Metered Sub-Systems from CC6477 may reflect cost-causation principles, this proposed solution falls far short of comprehensively reflecting cost-causation principles in the allocation of this charge code. If market participants' actions (e.g., over-scheduling demand) are causing the CAISO to take actions in HASP which lead to excessive real-time offset costs, the CAISO should seek to allocate those costs first to the market participants whose actions lead to the excessive offset charges, rather than smearing those costs to measure demand.