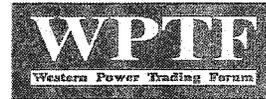


**INDEPENDENT
ENERGY
PRODUCERS**



January 24, 2008

Mr. Yakout Mansour
CEO, California Independent System Operator
151 Blue Ravine Road
Folsom, California

RE: Firm "Go-Live Date" for MRTU

Dear Mr. Mansour:

The Independent Energy Producers (IEP) and the Western Power Trading Forum (WPTF) understand that the California Independent System Operator (CAISO) has postponed the Market Redesign and Technology Update (MRTU) implementation date from March 31, 2008 to an unnamed date. IEP and WPTF stress the importance that the CAISO announce now its firm commitment to implement MRTU after September 1, 2008, and a date-certain announced no later than June 1, 2008.

While some may view this implementation delay with disappointment, IEP/WPTF firmly believe it is a necessary step to both minimize speculation and uncertainty regarding the exact go-live date and to better ensure that the new market systems are sufficiently tested before implementation. A new schedule with date certain is essential to allow market participants to adequately plan and prepare for MRTU implementation.

IEP/WPTF appreciate the efforts of the CAISO in meeting the March 31 target date but we share an interest in both getting it right and knowing that when it occurs it will be done with minimal market disruptions. A delay until the fall season allows for software demonstration, further testing and stability confirmation, and, importantly, it minimizes avoidable uncertainty during the upcoming peak-summer demand period.

IEP/WPTF looks forward to continuing the collaborative effort of working with the CAISO to develop a world-class market design. Please give the undersigned a call if you have any questions.

Sincerely,

Jan Smutny-Jones
Executive Director
IEP

Gary B. Ackerman
Executive Director
Western Power Trading Forum

cc: CAISO Board of Directors