

CAISO MARKET NOTICE

REVISED MITIGATED MARKET CLEARING PRICES (MMCP) POSTED ON CAISO WEBSITE

Client Action: Information Only
Categories: Settlements and Market Clearing
Subject: Revised Mitigated Market Clearing Prices (MMCP) Posted on CAISO Website

Summary: Revised Mitigated Market Clearing Prices (MMCPs) posted on CAISO website

Main Text: Revised Mitigated Market Clearing Prices (MMCPs) were posted on the ISO website, entitled "July 8, 2004 Preliminary Mitigated Market Clearing Prices." The Revised MMCPs can be found at, <http://www.caiso.com/pubinfo/currentissues.html>. The revisions remedy several miscalculations that were identified by more detailed review of MMCPs performed by Pricewaterhouse Coopers (PwC) and ISO staff. Specifically, the Revised MMCPs reflect the following changes from previous MMCP calculations posted in May:

- (1) In previous calculations, the points on each unit's heat rate curve were inadvertently rounded to the nearest MW, which resulted in application of the wrong incremental heat rate segment in cases when the Acknowledged Operating Target ("AOT") fell within the range that was rounded up or down. Revised calculations do not include any rounding of points of heat rate curves.
- (2) In previous calculations, gas consumption data for Dynegy's dual fuel units during hours listed as Hour 0 for each date in Exhibit J-1 of the *Stipulation As To Heat Rates and Non-Natural Gas Generation* appear to have been incorrectly converted into the time format of ISO data. In revised calculations, the date for these records was converted by changing Hour 0 to Hour Ending 24 and setting the date back by one day (e.g. gas data for Hour 0 for each date t in Exhibit J-1 is assumed to correspond to ISO data for Hour Ending 24 on Operating Date $t - 1$). The ISO believes this is the correct interpretation of the data in Exhibit J-1 based on a comparison of ISO metered generation data to gas consumption data in Exhibit J-1.
- (3) Several minor corrections were made to the computer code used to identify intervals when a CT needed to continue running as a result of an ISO dispatch, assuming a 1 hour minimum run time. Specifically, the revised code accounts for the fact that if a CT was already scheduled to run on an Hour Ahead basis and/or was already in operation when first dispatched in the ISO's Real Time Market, then the CT did not need to start up and continue running for a 1 hour minimum run time as a result of the ISO dispatch.

Overall, the revised MMCPs differ from the MMCPs released on May 28th during 1.5% of the intervals, with an average change in the MMCP of \$.13 overall all intervals.

The ISO's review of the MMCPs as well as that of PricewaterhouseCoopers has been concluded, and the ISO does not anticipate any further revisions in the MMCPs.

For More Information: Please e-mail any comments or questions to Gene Waas at gwaas@caiso.com.

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