



California ISO  
Your Link to Power

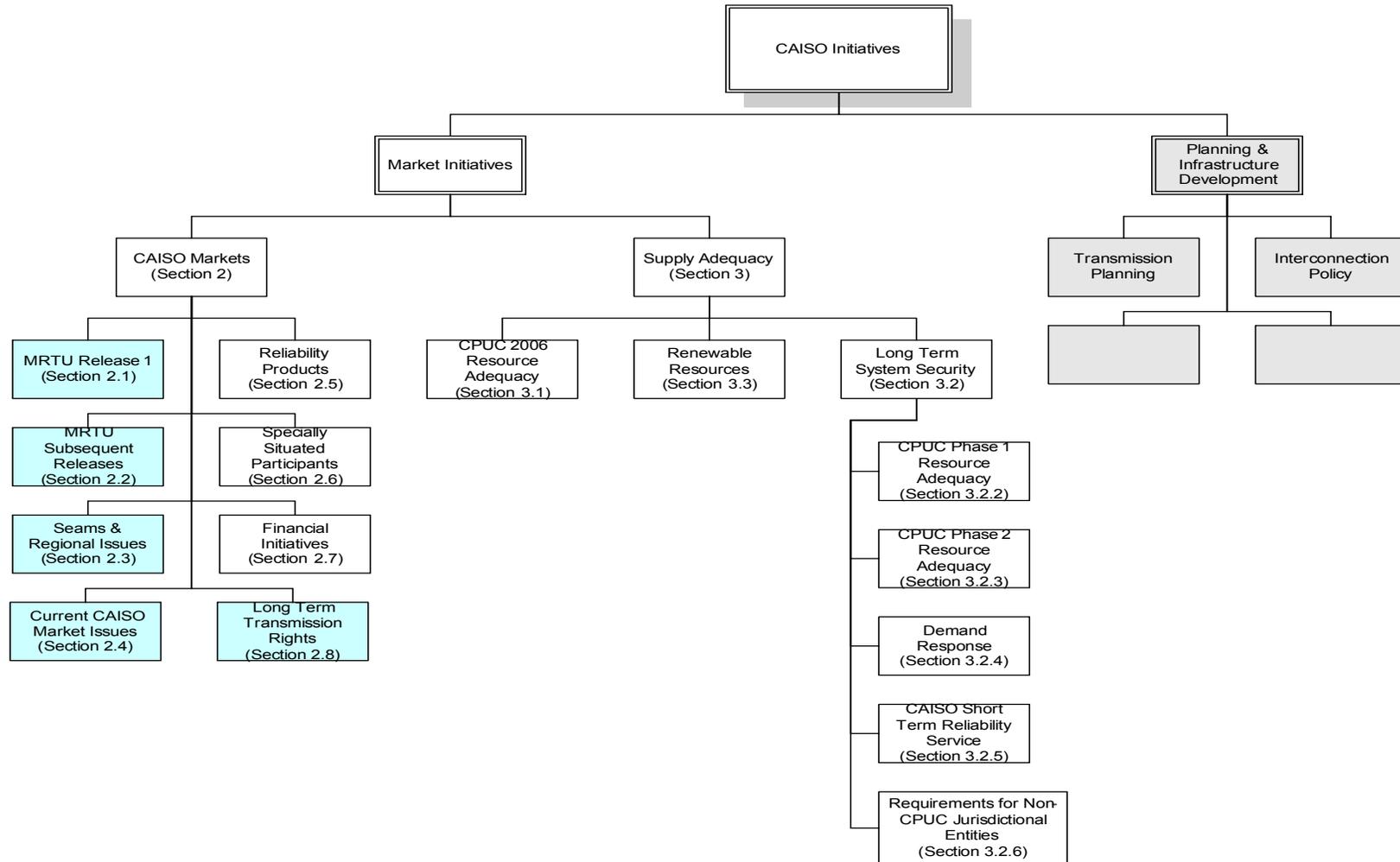
California Independent  
System Operator Corporation

# Market Initiatives Roadmap (Updated)

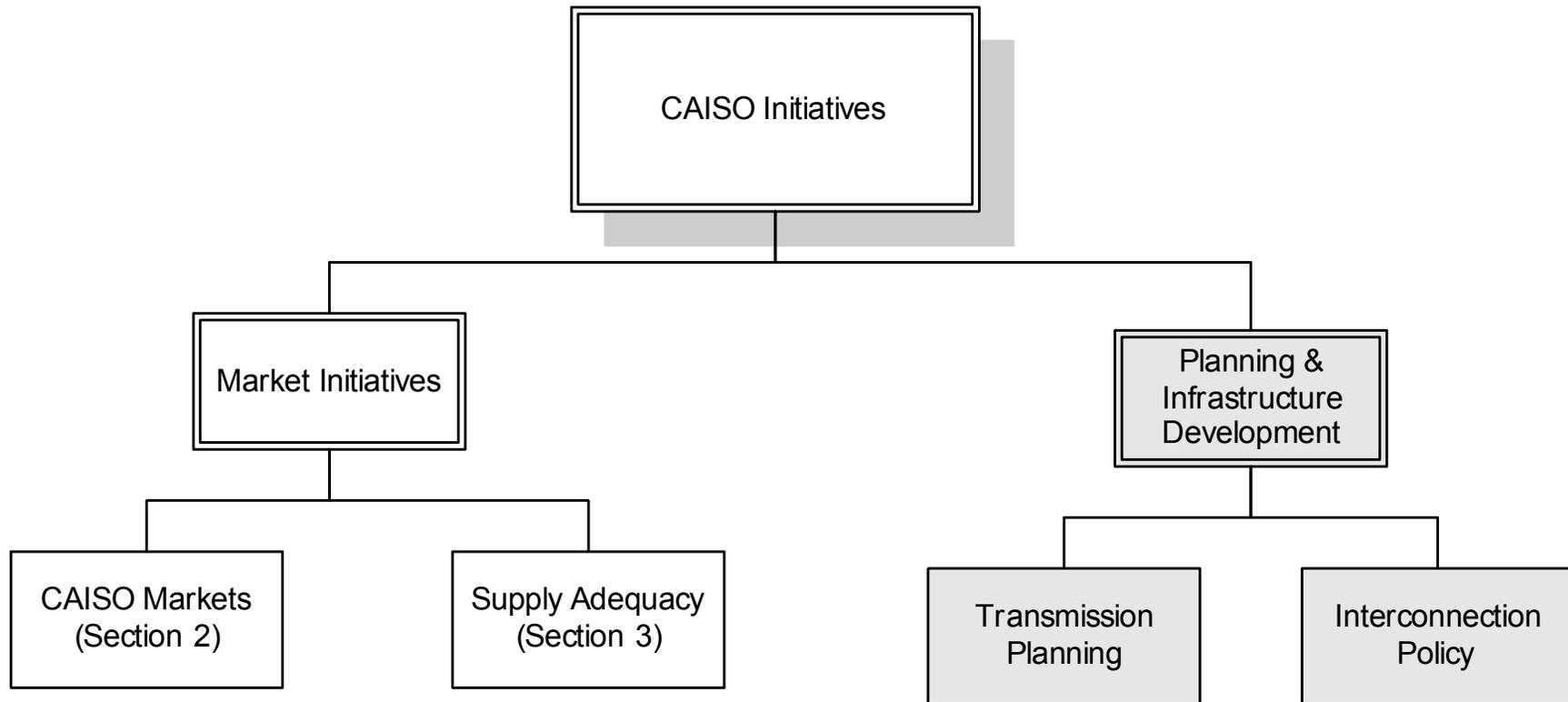
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**Market & Product Development, CAISO**

**Stakeholder Meeting, August 17, 2006**

# CAISO Initiatives Roadmap Schematic



# CAISO Initiatives Roadmap (High Level Schematic)



# Market Initiative Roadmap Categories

## ■ CAISO Markets

- MRTU Release 1
- MRTU Post Release 1
- Seams and Regional Issues
- Current CAISO Market Issues
- Reliability Products
- Specially-situated Participants
- Financial Initiatives
- Long-term Transmission Rights

## ■ Supply Adequacy

- CPUC 2006 RA
- Long-term System Security
  - CPUC Long-term Procurement Plan
  - CPUC Phase 1 RA
  - CPUC Phase 2 RA
  - Demand Response
  - Short Term Reliability Service (STRC)
  - Requirements for Non-CPUC Jurisdictional Entities
- Renewable Resources

## New Market Initiatives Proposed By Stakeholders Since July 19 Meeting

- **MRTU Release 1 (New items besides Competitive Path Assessment and PG&E Marginal Loss Study)**
  - Extension of Marginal Loss Surplus Study to Entities not Settling at LAP Price (CCSF)
  - Station Power Self Supply Settlement (SCE)
  - Limits on Start Up and Minimum Load Bid Prices (SCE)
  - Tracking and Allocation of CRRs as Load Migrates (SCE)
  - Measures to Ensure RA Generation Resources are Dedicated to Serve California Load (SCE)

## New Market Initiatives Proposed By Stakeholders (Cont'd)

- **MRTU Post-Release 1 (New item besides the 22 initiatives on the initial CAISO list)**
  - Part-time Partial RA Units (RTOAdvisors)
- **Seams and Regional Initiatives (New Items besides the six initiatives on the initial Roadmap)**
  - Maximizing Inter-tie Transfer Capacity (BPA)
  - Dynamic Scheduling for Load and Generation (NCPA)

## New Market Initiatives Proposed By Stakeholders (Cont'd)

- **Current Market Issues (New items besides the three initiatives on the initial CAISO list)**
  - Payment Acceleration (SCE)
  - Improved System for Reporting Outages and Derates (SCE)
- **Reliability Products (No New Items)**
- **Specially-Situated Participants (No New Items)**

## **New Market Initiatives Proposed By Stakeholders (Cont'd)**

- **Financial Incentives (No New Items)**
- **Long-Term FTRs (**New Category**)**
- **Supply Adequacy Initiatives (No New Categories or Items)**
- **Renewable Resources (No New Categories or Items)**

## Proposed Next Steps

- **Continue working on the following “Market Initiatives” without subjecting them to the Ranking Criteria**
  - Competitive Path Assessment (CPA)
  - PG&E Marginal Loss Study (PG&E MLS)
  - Convergence Bidding Design
  - Long-term FTRs
  - Other Initiatives that are well underway
- **Examine the MRTU Release 1 issues identified since the July 18-19 Market Initiatives Stakeholder Meeting:**
  - If critical design flaw, add to the above list for manual work around,
  - Else, consider for “Ranking” along with other candidate initiatives
- **Mailboxes**
  - Convergence Bidding design (Convergence Bidding@caiso.com)
  - Long-Term FTRs (LT-FTR@caiso.com)
  - Other Market Initiatives (MIRoadmap@caiso.com)