

Stakeholder Comments Template

Subject: E-Tag Timing Requirements

| Submitted by | Company | Date Submitted |
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This template has been created for submission of stakeholder comments on the following topics covered in the October 20th Market Notice regarding E-tagging. Upon completion of this template please submit (in MS Word) to etagtiming@caiso.com. Submissions are requested by close of business on **November 4, 2009**.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. What comments do you have relating to issues identify in the Issue Paper dated October 22, 2009, or other issues relating to determining physical Day Ahead schedules?

Mirant would like to thank the CAISO for the opportunity to comment on the "E-tag Timing Requirements Initiative." Although Mirant appreciates the concerns that some ISO market participants have expressed regarding e-tagging schedules awarded in the integrated forward market, Mirant does not believe these concerns present a significant risk to system reliability. Mirant supports the NERC reliability requirement as contained within NERC INT-008 that states that e-tags are late if not submitted at least 20 minutes prior to the start of the operating hour.

2. What comments do you have regarding maintaining the status quo (Option 1)?

Mirant supports Option 1. Maintaining the status quo is the best way to preserve Day Ahead market liquidity and to ensure that WECC entities both inside and outside of the CAISO are able to engage in energy and transmission transactions efficiently.

Maintaining the status quo preserves the ISO's ability to procure resources in the IFM. These resources would be unavailable if e-tag deadlines were the same or before the time that Day Ahead results were published since there would not be time to procure the energy or transmission. Furthermore, a market participant's ability to liquidate a Day Ahead award via HASP is determined by ISO market pricing and operations. Under normal circumstances, reliability is not adversely affected because the ISO model takes into account system needs when granting/modifying a HASP award. Any failure to deliver awarded energy is met with the same penalties as other failures to provide.

3. What comments do you have regarding timing requirement with reporting (Option 2)?

Mirant is against Option 2 for several reasons:

1. Deciding e-tag deadlines is a task beyond the authority of CAISO stakeholders. Since the systems used by many control areas, transmission providers, generators and other market participants are complex, it is unreasonable to allow a small section of market participants to dictate the actions of the entire WECC region.
2. E-tags require input and approval from several entities, not simply the entity creating the e-tag. To report one particular SC to FERC because of tagging considerations is to place undue burden on one party rather than the several who may be involved in the transaction.
3. The stakeholder process is not the appropriate forum for determining tagging deadlines or procedures for enforcing compliance. The CAISO and NERC are most familiar with actual reliability risks and should be the entities that address reliability concerns.

The only new timeline that Mirant would fully support is one that officially makes the ISO deadline match the NERC requirement for tags to be submitted no later than T-20.

4. What comments do you have regarding timing requirement with financial implications (Option 3)?

Mirant disagrees with Option 3 for the same reasons as for Option 2. Furthermore, if the ISO were to automatically reverse un-tagged Day Ahead schedules, then the ISO would limit its own resources (since the market participant would be discouraged from securing the energy Real Time).

5. What other solutions would you recommend to resolve issues in number 1 above with no change to the E-Tag Timing Requirement (Option 4)?

Mirant does not perceive the current e-tagging requirements to present a significant risk to system reliability.

6. What comments do you have with the stakeholder timeline?

The stakeholder timeline allows insufficient time for comment given the scope of the project. Stakeholders should be granted at least two weeks to respond to each part of the process.

7. Others?

None.