

PG&E'S PRIORITIZATION OF CAISO MARKET INITIATIVES

PG&E's Highest Priority Market Initiatives	Catalogue Section	Grid Reliability	Improving Overall Market Efficiency	Desired by Stakeholders	Total Benefit	Market Participation Implementation (\$ & Resources)	CAISO Implementation (\$ & Resources)	Total Feasibility	Total (Benefit + Feasibility)	2009 Rank	2008 Rank	2009 PG&E Rank
RA Must Offer Obligation	8.3	7	7	7	21	10	7	17	38	High		HIGH
Bid Cost Recovery for Units Running Over Multiple Operating Days	2.8	7	7	7	24	7	7	14	38	High	Medium	HIGH
Addressing Ramping Capacity Constraints	6.8	10	7	7	24	3	3	6	37	High		HIGH
Multi-Day Unit Commitment in the IFM	2.4	7	7	7	24	7	3	10	37	High	Medium	HIGH
Initial Conditions Management (submitted by PG&E)		7	7	7	21	7	7	14	35			HIGH
Enhancements to Standard RA Capacity Product	8.1	7	7	7	21	7	7	14	35	High		HIGH
Potential Modifications to Market Rules of DA Intertie Schedules	2.15	7	3	7	43	10	7	17	34	High		HIGH
Rules to Encourage Dispatchability of Wind & Solar Resources	4.1	10	7	7	24	7	3	10	34	High		HIGH
Day Ahead Scheduling of Intermittent Resources	2.5	7	7	7	21	3	7	10	31	High	Low	HIGH
Use of "Weighted Least Squares" CRR Optimization Algorithm in CRR Allocation	7.7	0	7	7	44	40	7	14	31	High	Medium	HIGH
A/S Maximum Capacity Operating Limits for Spin and Non-Spin	6.7	7	7	3	43	7	3	40	31	Medium		HIGH

Other Market Initiatives Addressed By PG&E												
Pumped Storage Generation Plant Modeling	10.3	7	7	7	17	7	3	10	27	Medium		MEDIUM
Ability to Designate A/S Contingency Hourly	6.5	3	7	3	9	7	7	14	23	Medium	High	MEDIUM
Enhanced ISTs (After-Market ISTs)		0	7	3	10	7	7	14	24			MEDIUM
Multi-Settlement System for Ancillary Services	6.3	3	7	7	17	3	3	6	23	Medium	High	MEDIUM
Extend Look Ahead for Real-Time Optimization	4.5	3	7	3	13	7	3	10	23	Medium	Low	MEDIUM
Simultaneous RUC and IFM	5.2	7	7	7	24	7	3	40	23	High	Medium	MEDIUM
Long Term CRR Auction	7.3	0	40	7	47	7	3	10	27	Medium	High	LOW
Load Aggregation Point Granularity	2.11	7	40	7	24	3	3	40	16	High	Low	LOW
Ability to Bid Start Up and Minimum Load Costs in the IFM	2.13	7	7	7	24	7	3	40	12	High	Medium	LOW

Note: The highlighted blue numbers represent PG&E's proposed scores.