

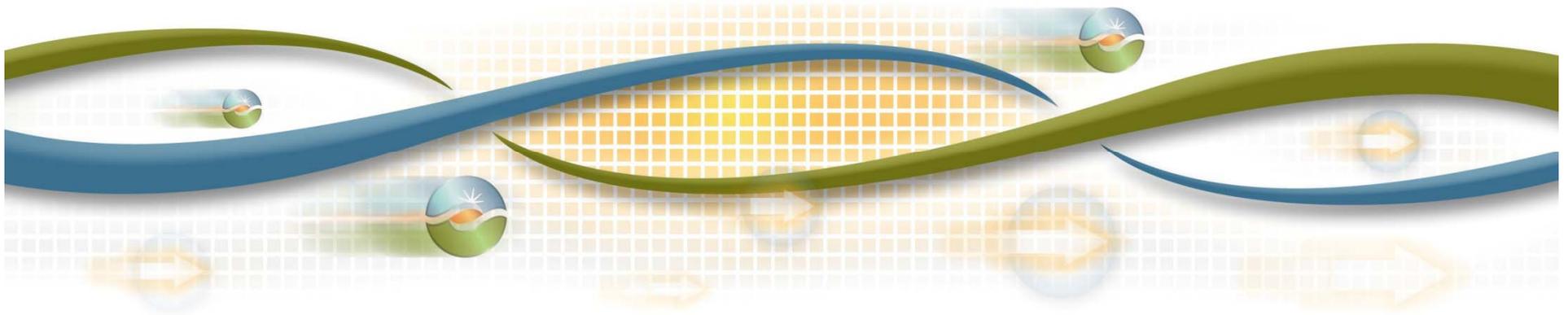


California ISO
Shaping a Renewed Future

Performance Metric & Persistent UIE check

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Background

- RI-MPR Phase 1 proposal included the separation of bid cost recovery netting between the day ahead market and the RUC and real-time markets.
- Under the separation of the netting, adverse impacts to BCR uplift can be exacerbated as a resource deviates from ISO dispatch
- The ISO therefore developed two measures to dampen this effect
 - Performance metric
 - Persistent uninstructed imbalance energy check

Performance metric and persistent UIE check

- Performance metric:
 - Scalar that captures the portion of ISO dispatch that was delivered
 - Applied to components of the bid cost recovery calculation
- Persistent UIE check:
 - Algorithm that flags intervals in which a resource is persistently deviating from ISO dispatch
 - Disqualifies real-time energy from BCR for those intervals
 - Adaptation of this algorithm needed for persistent deviation from shut-down instruction

Follow-on initiative to further refine and vet the performance metric and persistent UIE check.

- Based on stakeholder feedback, the ISO has delayed seeking Board approval
- Follow-on stakeholder effort will commence soon
 - Additional explanation
 - Additional discussion of stakeholder comments
 - Empirical analysis
 - Development of tolerance thresholds
- Board approval of the outcome of that process will be sought in February 2012