

 CALIFORNIA ISO <small>California Independent System Operator</small>	Settlements / Rerun	Version No.	1.0
		AMENDMENT 51 Post Mis-logging Issue No 17	Version Date
		Effective Date	01/16/04

PURPOSE

The CAISO will recalculate the Market Clearing Price (MCP) to account for the Out of Sequence (OOS) transactions that were mislogged as Out Of Market (OOM) transactions during the October 2, 2000 through June 20, 2001 period (Refund Period). To do this the CAISO will identify, and correct all GG exceptions and call types that were mis-logged. The GG exceptions were originally logged as OOM dispatches with associated Hourly Ex-Post Price (HEPP) and were not included in the original MCP calculations.

BACKGROUND

The mis-logging item is one governed mostly by the California Refund proceeding (FERC Dockets EL00-95, *et al.*), but was also included as Item 17 in the Preparatory Rerun in Amendment No. 51 because it was necessary to correct the volumes eligible to set the MCP. The FERC order issued in the California Refund proceeding on March 26, 2003 states that OOS Non-Congestion Imbalance Energy Supplemental and OOS Non-Congestion Spin, Non-spin, and Replacement Ancillary Services are eligible to set the historical MCP. As some transactions were mis-logged, the CAISO will identify and correct the call types in order to accurately set the MCP.

FERC ruled on October 16, 2003 in the California Refund proceeding, stating the CAISO's review of mis-logging would be limited to the GG exceptions already identified in the CAISO's Project X internal audit and all GG exceptions should be considered as OOS transactions. The Commission also specified a procedure for the CAISO to determine whether the mis-logged OOS transactions were non-congestion transitions eligible to set the MCP.

OUTLINE OF PROCESS

- 1 Bid Calculation
- 2 MCP Analysis

PROCESS DESCRIPTION

All process listed below are to be completed by the CAISO unless otherwise stated.

- 1 Bid Calculation
 - 1.1 Gather all GG Exceptions
 - A Classify 72,000 records that were flagged as GG Exceptions in the Project X audit as OOS transactions
 - 1.2 Determine which of the OOS transactions at issue were entered into for non-congestion purposes
 - A Investigate OSMOSIS records and Market Operations (MOH) database. Flag applicable transactions with a 'reason code' indicating they were for non-congestion purposes.

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- 1) Reason Codes
 - a) ESY – System Condition Energy
 - b) OSS – Out of Sequence Supplemental Energy
 - c) OSNS – Out of Sequence Non Spin
- B Supplement the non-congestion records identified in A above with any additional OOS non-congestion transactions identified through the SLIC logs
- C The two steps above resulted in 70,000+ OOS records being re-classified as non-congestion transactions eligible to set the MCP

1.3 Identify bid points based on feasibility segments

- A Available Capacity is calculated based on a Unit’s Pmax, Final Hour Ahead Schedules, Regulation Up and Real Time Balancing Energy and Ex Post Pricing (BEEP) dispatch
- B The minimum of the original OOS instruction or Available Capacity is used as the actual, final volume for each OOS transaction.
- C Utilize all Ancillary Service bids in calculation of MCP and OOS Bids in order of such:
 - 1) SE
 - 2) Rep-Res
 - 3) Non-Spin
 - 4) Spin
- D The remaining OOS quantity, after exhausting all bids, will become OOM dispatch
- E All OOM records will receive HEPP prior to data push to Settlements

1.4 Gather market bids

- A OOS records
 - 1) Calculate weighted average bid price
- B OOM records
 - 1) Identify residual energy of OOM with HEPP

1.5 True OOS/OOM

- A True OOS/OOM records are the end result of the step 1.3

2 MCP Analysis

- 2.1 Gather old MCP for the intervals in which there were mis-logged non-congestion dispatches, identified prior to Steps 1.1 and 1.2 above

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- 2.2 Identify highest bid price (under cap) for each energy type
 - A October 2, 2000 to December 7, 2000 – \$250 hard cap
 - B December 8, 2000 to December 31, 2000 – \$250 soft cap
 - C January 1, 2001 to April 25, 2001 – \$150 soft cap
 - D April 26, 2001 to present – Flexible Soft Cap (FSC)
- 2.3 Identify intervals where BEEP was split by congestion zone
- 2.4 Override MCP for the applicable intervals
- 2.5 Revise MCP with resulting numbers

REFERENCES

- 1 CAISO’s Amendment No. 51 filing in Docket No. ER03-746, and other pleadings filed by the CAISO in that Docket.
- 2 October 16, 2003 FERC Order in the California refund proceeding (Dockets EL00-95, *et al.*).

ASSUMPTIONS

- 1 The OSMOSIS database will be utilized to determine whether the GG exceptions are non-congestion transactions
- 2 Scheduling and Logging for ISO in California (SLIC) records identified by the Project X team will be used as supporting document for re-categorization
- 3 All OOS dispatches are incremental
- 4 Only OOS dispatches for system condition dispatches are eligible to re-set MCP
- 5 Bids above the MCP cap are not eligible to re-set the MCP
- 6 The Max Price of each service type is selected for MCP calculation
- 7 Intervals where INC and DEC MCP are equal, both will be re-set to the same MCP
- 8 Intervals where INC and DEC MCP are not equal, only the INC price will be re-set
- 9 Remaining OOS quantities, after exhausting all bids, will be treated as OOM dispatches

AFFECTED CHARGE TYPES

The following is a list of potentially affected Charge Types

- 401 • 451 • 452
- 481 • 487 • 1010

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EXPECTED IMPACT

- 1 Increase payment to suppliers of energy during the Refund Period
- 2 Increase costs to purchasers of energy during the Refund Period