



California ISO  
Your Link to Power

California Independent  
System Operator Corporation

# **Day Ahead Scheduling Requirement** **Under MRTU**

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**Joint MSC – Stakeholder Meeting**

**June 6, 2007**



## Overview

- Brief Review of Directives in FERC Orders
  - (September MRTU and April Rehearing)
- Summary of Stakeholder Process to Date
- Two Proposed Options and Why
- Stakeholder Comments on Options
- Open Issues
- Next Steps

## FERC MRTU Order, and April Rehearing Order

### ■ P 452 of the MRTU Order

- “We direct the CAISO to develop and file interim measures, no later than 180 days prior to the effective date of MRTU Release 1 to address the potential economic incentive for LSEs to underschedule in the day-ahead market until the successful implementation of convergence bidding has been achieved.”

### ■ April 20 Order (Rehearing)

- “Not intended to prevent LSEs from taking steps to reduce the costs of serving load”
- “Should address the problem of **persistent** underscheduling in the DAM on occasions when energy prices suggest that it would be economic to buy in the DAM”

## April 22 Issue Paper - Presented Four Options

- **Vertical Demand Bid**
- **Forecast Vs Maximum Amount Bid**
- **Financial Incentives Already Built Into MRTU**
  - Potential Trigger
- **Interim Scheduling Charge**



## May 23 Proposed Two Options “Forecast versus Maximum Amount Bid”

- Bid or Self Schedule - 95% on peak and 75% off peak
- Forecast Data – By Hour, LAP, 10 AM, FTP server
- Exemptions – 1 MW (over past 12 Mos);
- Bid Floor - None
- Compliance Monitoring - Compare DA Forecast (by LAP) to max Bid in the DAM (by LAP);
- Enforcement – General FERC market rule requiring compliance with the FERC-approved tariff.



## May 23 CAISO Proposed Two Options “Interim Scheduling Charge”

- **Rate:** \$250 / MWh
- **Threshold:** “15% of the Cleared DA Bids”;
- **BQ:** Net Negative Load deviations, hourly, out of threshold;
- **Timing:** Monthly, and Allocated to Revenue Requirement;
- **Exemptions:** One MW of Demand;
- **Applicability:** SCs with cleared Demand bids; and,
- **Duration:** Terminated when CB is initiated



## Stakeholder Comments On Two Options

### ■ Max Vs Forecast

- Useless without floor
- Need User Friendly Systems

### ■ Penalty

- Unintended Consequences
- Potential for Supply Side Power
- Bandwidth should be smaller / larger
- \$/MWh should be smaller / larger
- Should have a sliding scale charge (events, MWs, or %)
- Allocation isn't right
- Only Demand Deviations
- Suspend on Days When Forecast Temperatures are Off
- ESPs can be harmed; Should be 5% or 25 MWs

## Open Issues

### Forecast Vs Must Bid

- Bid Floor

### Interim Scheduling Charge

- Bandwidth
- Exemptions (25 MWs, Days of Missed Forecast)
- \$/MWh Rate
- Sliding Scale Concept
- Demand Deviations Only



## Remaining Schedule and Next Steps

- June 6 In Person Stakeholder meeting with MSC
- June 15 CAISO Straw Proposal
- June 22 Comments Due on Straw Proposal
- June 29 Post Draft Tariff Language
- July 6 Comments Due on Proposed Tariff Language
- July 12 Stakeholder Conference Call Re Tariff Language
- July 18 CAISO Board of Governors Meeting
- August 3 FERC Compliance Filing

**Documents including Stakeholder Comments are posted at the MRTU Policy Resolution link:**

<http://www.caiso.com/docs/2004/11/19/2004111912470915456.html>

**Questions:**

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