

# Market Initiatives Roadmap - Detailed Ranking Results – Final

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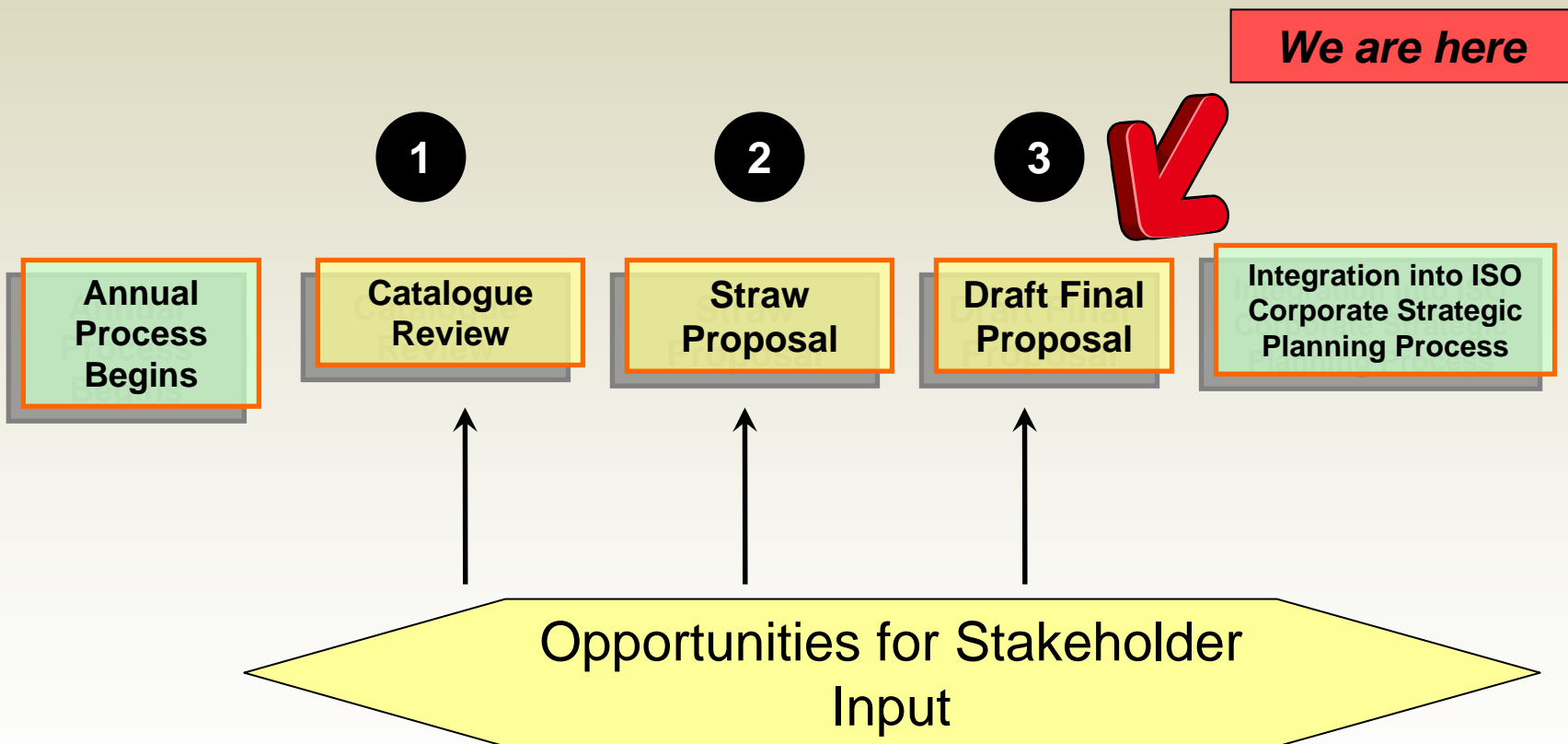
Stakeholder Conference Call  
September 25, 2009

# Meeting Agenda

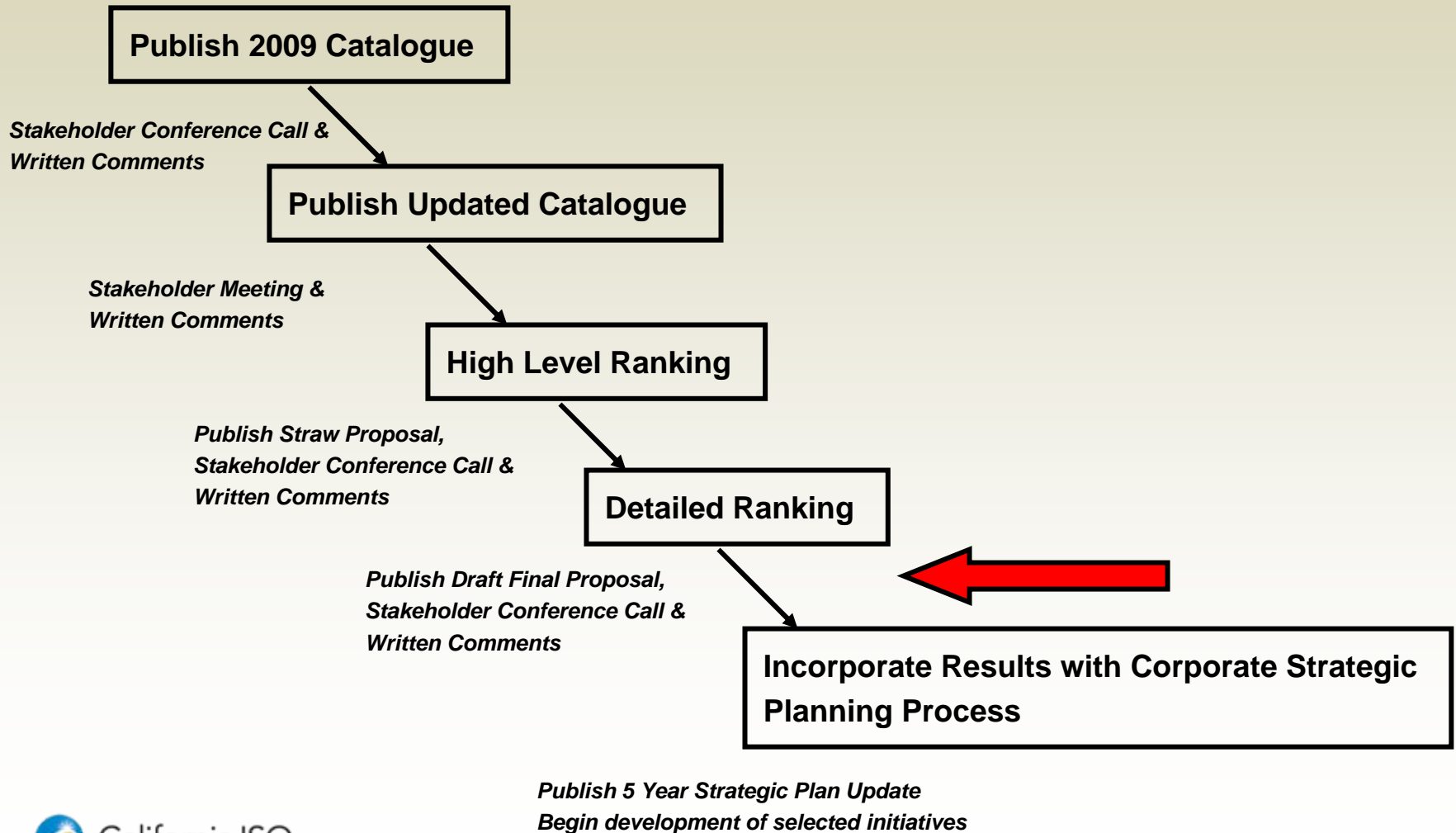
- Review of the Roadmap Process
- Review of Stakeholder Comments
- Catalogue Updates
- Next Step – The Strategic Planning Process

# ISO Stakeholder Process

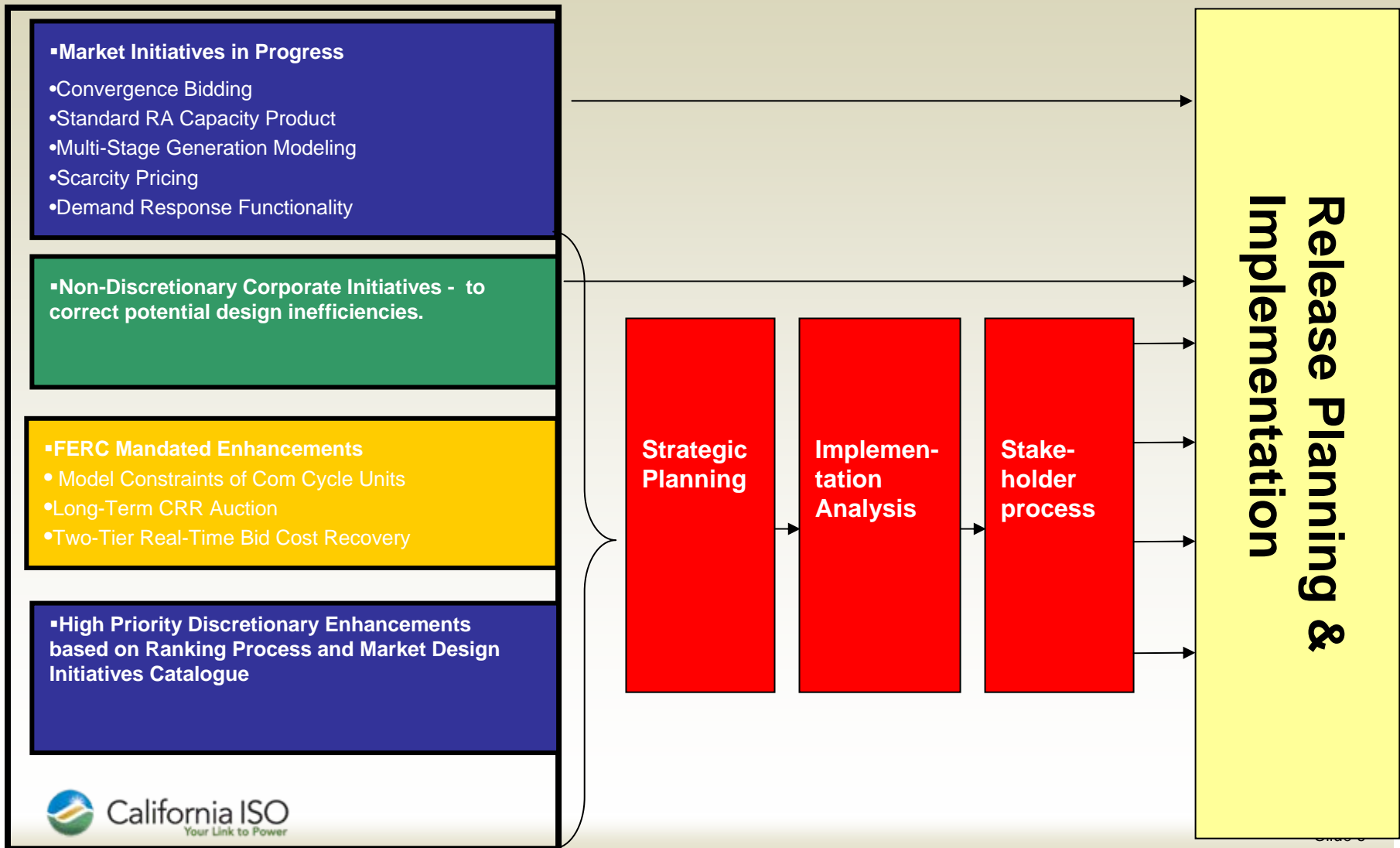
## Market Initiatives Roadmap



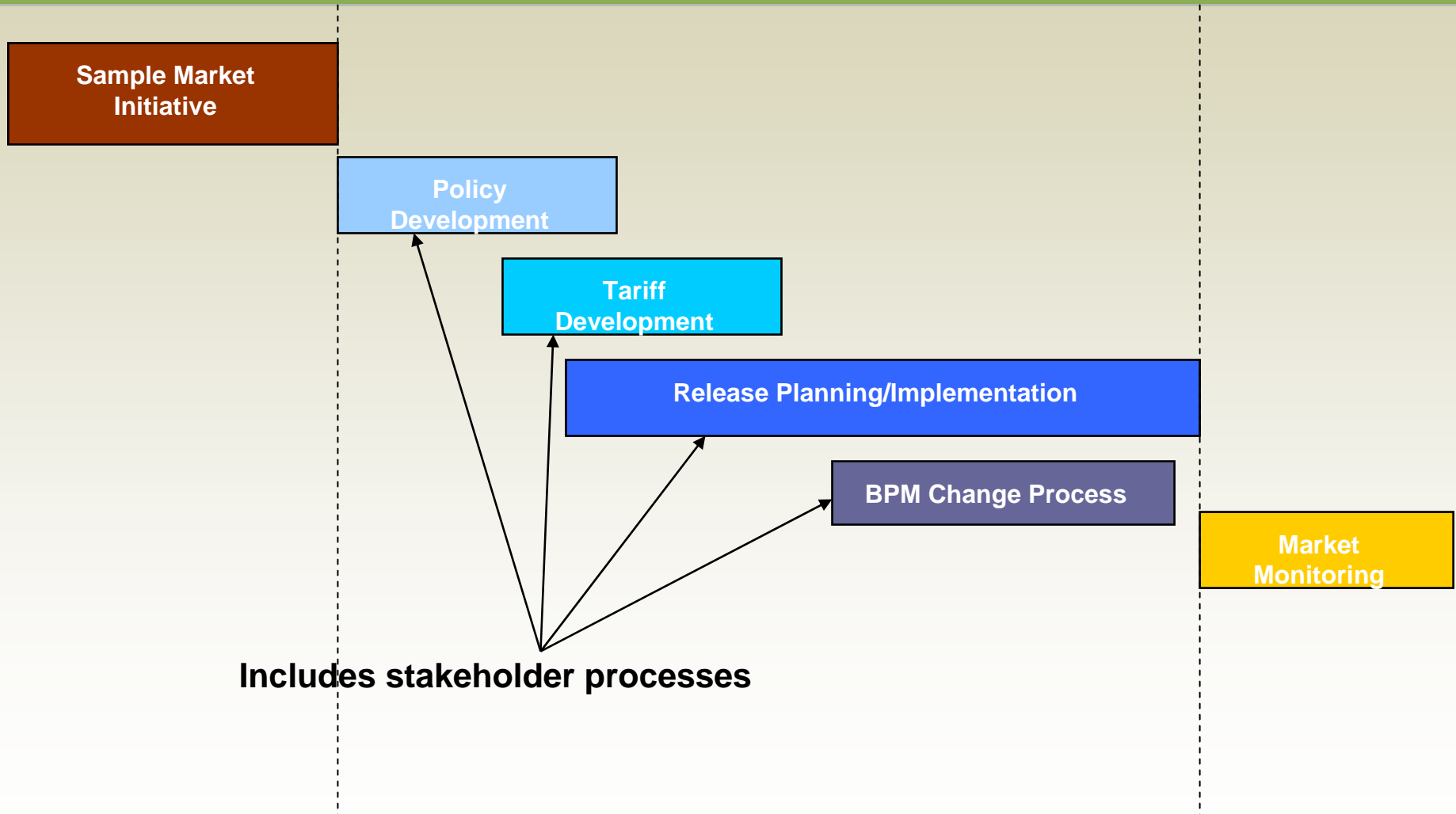
# The purpose of this process is to prioritize the outstanding market design initiatives.



# Market Initiatives Roadmap Process



# The progress of a sample initiative destined for implementation generally looks like this:



# Overview of Ranking Methodology

- High Level Prioritization
  - Categorize proposed initiatives as High, Medium and Low based on certain criteria
- Detailed Ranking
  - High priority initiatives are evaluated more thoroughly by applying ranking criteria methodology
- Strategic Planning Process
  - Analysis of initiatives with corporate goals in mind

# Stakeholders commented on the High Level Ranking.

## ■ Enhancements to SCP

- Received 4 sets of comments
- 3 supported our ranking
- CalWEA, LSA, AWEA (jointly) suggested that all deferred generation types are not equal – focus on Demand Response first

## ■ Rules to Encourage Dispatchability of Wind & Solar Resources

- Received 3 sets of supporting comments
- PG&E requested a more detailed description of the topic



# Stakeholders commented on the High Level Ranking.

## ■ LAP Granularity

- Received 3 sets of supporting comments (SWP, Dynegy, JP Morgan)
- Received 4 sets of comments suggesting our ranking was overstated (BAMx, SCE, CCSF, PG&E)
- BAMx requested more explanation regarding 2008 rank vs. 2009
- CCSF requested a stakeholder process be implemented

## ■ Apply RA MOO to a Subset of Hours

- Received 3 sets of supporting comments
- Dynegy wants to ensure that this does not become an “out” for non-fully dispatchable resources

# Stakeholders commented on the High Level Ranking.

- Enhanced DEC Market
  - Received 2 sets of supporting comments
  - Received 1 set of comments from Powerex raising concerns about resurrecting this issue
- Multi-Day Unit Commitment in the IFM
  - Received 3 sets of supporting comments
  - Dynegy suggested that this may impact relatively few units and the ranking could be lower
- Potential Modifications to Market Rules for DA Intertie Schedules
  - Received 2 sets of supporting comments

# Stakeholders commented on the High Level Ranking.

- Bid Cost Recovery for Units Running over Multiple Days
  - Received 1 set of supporting comments
- Simultaneous RUC and IFM
  - Received 3 sets of supporting comments

# Some new initiatives were added to the current version of the Market Design Initiative Catalogue.

- Data Availability and Release Initiative
- Include Cost of AS when determining whether Non-Firm Imports are economic
- Import/Export Bid Submission for Multiple Scheduling Points

# The following initiatives' status was updated.

- Convergence Bidding
- Scarcity Pricing
- Ex-post Price Correction “Make Whole” Payments
- Ability to Bid Start Up and Minimum Load/MPM
- Potential Modifications to Market Rules for DA Intertie Schedules
- Rules regarding Supply Bid Pool in the IFM
- 30 Minute Operating Reserves
- Lossy vs. Lossless Shift Factors

# There were other updates to the catalogue.

- 2009 Rankings
- Recent stakeholder suggestions regarding the catalogue/process
- Enhanced initiative descriptions

The ISO acquires internal and external information and feedback to develop its strategy.



The California ISO Strategic Planning Process

# Now what?

- October 2 – Final stakeholder comments due
- 4<sup>th</sup> Quarter – Integrate into corporate strategic planning process