



Template for Submission of Comments on 5-Year Market Initiatives Roadmap

The CAISO is requesting that Stakeholders submit the following comments to the 5-Year Market Initiatives Roadmap using this stakeholder comments template.

1. Pick three market enhancements you believe should have the highest priority for implementation and describe the reasons why tied back to the high-level prioritization criteria using the provided tables below. These top three may include FERC mandated market enhancements or non-mandated market enhancements that are described in the Roadmap.
2. Prioritize the list of FERC mandated enhancements listed in the table below with a rank of 1-10 based on the order of priority you believe these enhancements should be addressed by the CAISO.

Comments are requested by close of business Friday, April 18, 2008 and should be submitted to mmiller@caiso.com. Please contact Margaret Miller at mmiller@caiso.com or 916 608-7028 with any questions.

Instructions for Part 1 – Ranking top three market enhancements

- 1) At the top of the template please provide your name and the name of the company you represent.
- 2) In the left-hand column identify the section number associated with the enhancement you want to propose, as identified in the Five Year Market Initiatives Roadmap. If you are proposing a new market enhancement that is not captured in the Roadmap please indicate "New" in the left-hand column.
- 3) In the second column provide the name of the enhancement and a description of the important features you are proposing.
- 4) In columns three through six provide justification for your proposed enhancement based on:
 - Grid Reliability-please rank high, medium or low and describe why.
 - Market Efficiency – please rank high, medium or low and describe why.
 - Implementation/cost impact to CAISO please estimate (High, Medium, or Low)
 - Implementation/cost impact to market participants please estimate (High, Medium, or Low)

In providing your justification for a proposed market enhancement it is extremely important to describe why you believe a market enhancement ranks high, medium or low in the specified category. The CAISO will use this information when evaluating these market enhancements in the ranking process.

Company represented: Reliant Energy, Inc.
 Date of submission: 18 April 2008

Persons submitting comments: Gary Hinnners/John Rohrbach

Part 1 – Top Three Market Enhancements (Mandated or Non-Mandated)

Roadmap section number, or specify "New"	Title and description of proposed enhancement	Does this market enhancement have a High, Medium or Low impact on improving Grid Reliability and why?	Does this market enhancement have a High, Medium or Low effect on improving market efficiency and why?	Estimated Implementation /Cost Impact to CAISO Please specify (High, Medium or Low)	Estimated Implementation/Cost Impact to Market Participants Please specify (High, Medium or Low)
2.1.4 and 2.2	Generator Start-up costs and Ability to bid start up costs	Medium.	Allowing downward flexibility in statement of generator startup costs (as compared to what is the master file) increases supply of generation.	Low; It is possible that MRTU should be able to already accommodate downward flexibility in generator startup costs but that this feature will not be active until actual MRTU is live. Reliant nevertheless requests that CAISO clarify whether downward flexibility in generator start-up costs will be possible in MRTU, and if not, can it be placed on the Roadmap as a Priority 1 issue.	Low.

Roadmap section number, or specify "New"	Title and description of proposed enhancement	Does this market enhancement have a High, Medium or Low impact on improving Grid Reliability and why?	Does this market enhancement have a High, Medium or Low effect on improving market efficiency and why?	Estimated Implementation /Cost Impact to CAISO Please specify (High, Medium or Low)	Estimated Implementation/Cost Impact to Market Participants Please specify (High, Medium or Low)
2.4.2 and 2.2..3.32	System for Reporting Outages and Derates and Development of Outage Reporting Schedule to Support CRRs	Medium	High; supports development of congestion revenue rights and for informing market participants as to when significant transmission and generation outages may occur	Low	Low

Roadmap section number, or specify "New"	Title and description of proposed enhancement	Does this market enhancement have a High, Medium or Low impact on improving Grid Reliability and why?	Does this market enhancement have a High, Medium or Low effect on improving market efficiency and why?	Estimated Implementation /Cost Impact to CAISO Please specify (High, Medium or Low)	Estimated Implementation/Cost Impact to Market Participants Please specify (High, Medium or Low)
2.4.1 and 2.5.4	Operating Reserve Procurement and 30 Minute Operating Reserve	High; Operating Reserve Procurement rules in conformance with WECC are of obvious importance. Absent development of products such as 30-minute operating reserve, CAISO may be forced to use Exceptional Dispatch without appropriate compensation. The more it uses Exceptional Dispatch, the more it forces units that are inappropriately compensated to consider entering mothball status.	High. Development of products for which there is an ascertainable need, such as a 30-minute operating reserve product, responds to the markets desires for generation that can address 30 minute reliability contingencies.	High	Medium

Instructions for Part 2 – Ranking FERC Mandated Market Enhancements

1. In the left hand column enter a rank for the specified FERC mandated market enhancement in order of priority for implementation by indicating a 1 for highest priority to an 10 for lowest priority. If you believe that more than one market enhancement should have the same level of priority you may use the same ranking number up to two times. For example you may rank up to two market enhancements as a “1”.
2. In column two please describe the reason for your selected rank unless the same market enhancement was already described in detail in Step 1 above.

The CAISO has been ordered by FERC to implement or address the following market enhancements no later than three years after MRTU start-up¹.

Company represented: Reliant Energy, Inc.
Date of submission: 18 April 2008

Persons submitting comments: Gary Hinnners/John Rohrbach

Rank (1-10)	FERC Mandated Market Enhancement	Please describe reason for rank
1	Multi Hour Block Constraint in RUC – 2.2.3.2 (typo corrected from 2.2.2.2)	Impacts units that require time to start
6	Ancillary Services Substitution -2.2.3.7	Flexibility enhances market development.
9	Rebate of loss over-collection issues for Renewable Resources – 2.2.3.3 (typo correction from 2.2.2.3)	Less important than others.
2	Bid Cost Recovery for Units with Run Times that Exceed 24 Hours – 2.2.3.10 (typo correction from 2.2.2.9)	Similar to (1) above.
8	Supporting Exports of Ancillary Services –2.2.3.14 (typo corrected from 2.2.2.13)	Greater market flexibility.
5	Model Constraints of Combined Cycle Units – 2.2.3.17 (typo corrected from 2.2.2.16)	Better modeling important for accurate pricing.
7	Increase number of LAP Zones – 2.2.3.21 (typo corrected from 2.2.2.20)	Needed for more accurate price signals.
4	Two Tier rather than single tier Real-Time Bid Cost	Important for market development.

¹ The CAISO is ordered by FERC to allow for flexibility for A/S substitution in a “future MRTU Release”. No specific timeline was specified.

	Recovery – 2.2.3.23 (typo corrected from 2.2.2.23)	
10	Long-Term CRR Auction – 2.8.8	Less important than others on list.
3	Sale of CRRs in the CRR Auction 2.8.3	Market development and rules for it are important.