

RRI Energy Comments
On the Market Initiatives Roadmap
June 26, 2009

The CAISO has requested comments on the completeness of the catalogue, new initiatives that should be added and corrections of existing items. The purpose of these comments is to encourage the CAISO to add an initiative to increase transparency of market information.

The CAISO Vision is that

*“California ISO strives to be a world-class electric transmission organization built around a globally-recognized and inspired team providing cost-effective and reliable service, well-balanced and **transparent energy market mechanisms, and high-quality information for the benefit of our customers.**”* (emphasis added)

One of the CAISO “Core Values” is “Open Communication” which states in part that the CAISO values transparency and openly shares information externally.¹

The CAISO should assure that it makes information available that is at least commensurate in terms of scope and timeliness as that published by other ISO/RTOs. There are certain deficiencies in transparency that the CAISO should correct as soon as possible.

- 1) Transmission outage information should be published as soon as it is available.

Our understanding is that the CAISO has automated processes to post information on transmission outages from SLIC to two locations – OASIS and the CAISO website (<https://www.caiso.com/transout/>). We understand that the OASIS postings include only major paths, with text descriptions of the outages on major paths provided 30 days in advance, and the ratings posted seven days before the outage begins. We understand that information posted to the CAISO website covers all transmission outages on the CAISO Controlled Grid, but only if the outage is scheduled to begin within the next 7 days.

The CAISO should provide full transparency of outage requests, eliminate the rule to delay publication until 7 days before an outage begins, and publish multiple reports throughout a given day recognizing the dynamic nature of the outage scheduling process.

¹ See the CAISO Five Year Strategic Plan Update, 2009-2013, page 2. Posted at <http://www.caiso.com/23a1/23a1760a411a0.pdf>

The CAISO Tariff requires that Outages that may have a significant effect upon CRR revenue adequacy must be scheduled thirty (30) days in advance of the first day of the month the in which the Outage is proposed to be scheduled.² However, the CAISO policy is to wait until seven days prior to the beginning of an outage to post related information. The CAISO should simplify its policy in the interest of transparency to publish this information as soon as it is available, as both PJM and ERCOT do. It might be useful to include all requested outages and include a field showing status with entries such as "Received by ISO", "Under Study", "Cancelled", and "Approved" to make the outage status clear to all participants.

Our understanding is that posting more information would not impose any significant impact on the CAISO personnel or systems, and could be accommodated by simple changes to CAISO outage reporting processes.

2. The CAISO Should Expand its Publication of Information on Constraints and Contingencies

The CAISO should publish all available information on active and binding constraints, shadow prices, and contingencies behind the constraints.

The CAISO OASIS currently includes a listing of transmission interfaces, and intertie constraint maps. A "Nomogram/Branch Shadow Prices" report is also available through which the CAISO posts the hourly constraint pricing at each Nomogram and Branch, for each Market Process (DAM, HASP) in \$/MWh, and the 15-Minute Shadow Price in \$/MWh for the RTPD in RTM. An "Intertie Constraint Shadow Prices" report provides the hourly constraint pricing at Transmission Interfaces and Intertie Constraints, for each Market Process (DAM,HASP) in \$/MWh, and the 15-Minute Shadow Price in \$/MWh for the RTM.

The CAISO should provide the same granularity and detail provided by other ISO/RTOs, and should publish all active and binding constraints, and shadow prices. The branches listed in CAISO OASIS website as potential binding constraints appears to be a small subset of the branches in the Full Network Model. The CAISO should also publish additional information regarding the contingency element or other basis for binding constraints.

If the CAISO determines that these initiatives to improve transparency do not belong on the market initiatives roadmap, then it should identify the separate stakeholder process that should be followed to encourage expedited publication of this information.

² See Sections 9.3.6.3.2 and 36.4.3 of the CAISO Tariff.