

**Stakeholder Comments on:  
GMC Charge Code 4537 Market Usage Forward Energy Discussion  
Paper**

<b>Submitted by (Name and phone number)</b>	<b>Company or Entity</b>	<b>Date Submitted</b>
Bert Hansen (626) 302-3649	Southern California Edison	August 10, 2009

SCE respectfully provides the following comments on the CAISO discussion paper to modify the calculation of the Market Usage Forward Energy Charge Code (4537). SCE suggests the CAISO not rush to modify the current calculation methodology of charge code 4537 simply because a few Scheduling Coordinators do not agree with the current charge code design. Modifications to this charge code impact all Scheduling Coordinators, not just those Scheduling Coordinators that have requested changes to the current design. In particular, Scheduling Coordinators who are purely buyers or sellers may utilize ISTs to effectuate the settlement of bilateral transaction through the CAISO markets. The recommended changes being proposed have the potential to increase the costs to these Scheduling Coordinators by up to 100 percent. It is SCE opinion that the CAISO needs to conduct a more detailed market impact analysis, using actual settlement data, to determine if major cost shifting will occur before making the determination that the current charge code design needs to be modified.

That being said, if the CAISO ultimately decides to remove ISTs from the calculation of the Market Usage Forward Energy Charge we suggest the CAISO modify the calculation consistent with option 1. Option 1 preserves a fundamental design principle under MRTU in that a Scheduling Coordinators market participation is based on its net obligation to the CAISO markets. This netting principle protects participants that are, in effect, not using the market to buy and sell energy, but rather are only attempting to effectuate the delivery of their own supply to their own load. An allocation of the Market Usage Charge as described in option 2 of the CAISO proposal would unjustly shift the costs of this charge code largely to participants that have both supply and demand.