

## Stakeholder Comments Template

### Subject: Market Initiatives Roadmap – High Level Ranking Process

Submitted by	Company	Date Submitted
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The ISO is requesting written comments on the *Preliminary Results of the High Level Prioritization of Market Enhancements* published on the ISO website and discussed at the July 23<sup>rd</sup>, 2009 stakeholder meeting. This template is offered as a guide for entities to submit comments; however participants are encouraged to submit comments in any form. Comments are due by July 30<sup>th</sup>, 2009.

All documents related to the Market Initiatives Roadmap Process are posted on the ISO Website at the following link: <http://caiso.com/1fb1/1fb1856366d60.html>

Upon completion of this template please submit (in MS Word) to [MIRoadmap@caiso.com](mailto:MIRoadmap@caiso.com). Submissions are requested by close of business on Thursday, July 30, 2009.

Please answer the following questions on the results of the high level ranking:

- 1. Should rankings be different for the initiatives that the ISO ranked “High” in the preliminary ranking process? If yes:**
  - a) Provide your revised ranking of the initiative**
  - b) Explain what factors led to your ranking decision**

Response: Yes. The table below shows SDG&E’s proposed ranking of ISO ranked “High” market enhancements. One additional enhancement is proposed for implementation on a more accelerated schedule than currently proposed. That enhancement is running MPM on bid-in demand rather than ISO demand forecast. This market enhancement, which is listed in section 2.1.2 of Catalogue, is currently part of Convergence Bidding, which has been delayed to implementation in 2011. SDG&E recommends that running MPM on bid-in demand should be separated from the Convergence Bidding implementation schedule and implemented as a separate market enhancement in advance of Convergence Bidding.

<b>2009 High Ranked Market Enhancements</b>	<b>Current Score</b>	<b>Current Ranking</b>	<b>Proposed Score</b>	<b>Proposed Ranking</b>
Bid Cost Recovery for Units Running over Multiple Operating Days	35	2	38	1
Rules to Encourage Dispatchability of Wind and Solar Resources	34	3	37	2
Use of "Weighted Least Squares" CRR Optimization Algorithm	31	4	36	3
Multi-Day Unit Commitment in the IFM	31	4	36	3
Day Ahead Scheduling of Intermittent Resources	31	4	35	4
Procedure to Apply RA-MOO for a Subset of Hours	38	1	34	5
Enhancements to Standard RA Capacity Product	35	2	34	5
Load Aggregation Point Granularity	34	3	33	6
Simultaneous RUC and IFM	31	4	33	6
Ability to Bid Start Up Costs and Minimum Load Costs & MPM	31	4	32	7
Addressing Ramping Capacity Constraints	30	5	31	8
Potential Modifications to Market Rules for Day-Ahead Intertie Schedules	30	5	30	9
Added to High Ranked Market Enhancements				
Revise MPM process to run on bid-in demand rather than CAISO demand forecast	N/A	N/A	38	1

The market initiatives that were moved higher in general have moderate to significant grid reliability and market efficiency improvements, but had a lower scoring because of MP implementation impact. If the MP impact for initiative implementation can be reduced if the ISO publishes interface specifications in sufficient time ahead of market simulation for MP and vendors to design, build and test their systems. The "Ability to Bid Start-up & ML Costs" was moved down in ranking since the market design change to allow update of these costs monthly rather than every 6 months should deliver much of the intended benefit of this initiative.

**2. Should rankings be different for the initiatives that the ISO ranked "Medium" or "Low" in the preliminary ranking process? If yes:**

**a) Provide your revised ranking of the initiative**

**b) Explain what factors led to your ranking decision**

Response: Yes. Within the market initiative ranked as "Medium", the top three initiatives are 1) Transition to Auction Revenue Rights, 2) Extend the Look Ahead for Real-Time Optimization and 3) Treatment of Limited-Use Resources with Limited Number of Hours or Start-Up. In addition, the "Sequential Physical Trading Capability" initiative may have application in implementing the "High" ranked initiative "Day Ahead Scheduling of Intermittent Resources".

**3. Are there initiatives that were missing from the Market Design Catalogue (or the presentation)?**

**a) Describe the Market Design Initiative to be added**

**b) Rank the initiative and provide the reasoning for your ranking.**

Response: Day ahead Market Power Mitigation Based on Bid-In Demand (Catalogue section 2.1.2), which is being implemented as part of Convergence Bidding, should be separated from Convergence Bidding and implemented on its own schedule ahead of Convergence Bidding.

**4. Do you have any comments on or suggestions to improve the annual roadmap process?**