



CALIFORNIA ISO

California Independent
System Operator

The Inter-SC Trade of Ancillary Services

Market Surveillance Committee Meeting

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Presented by

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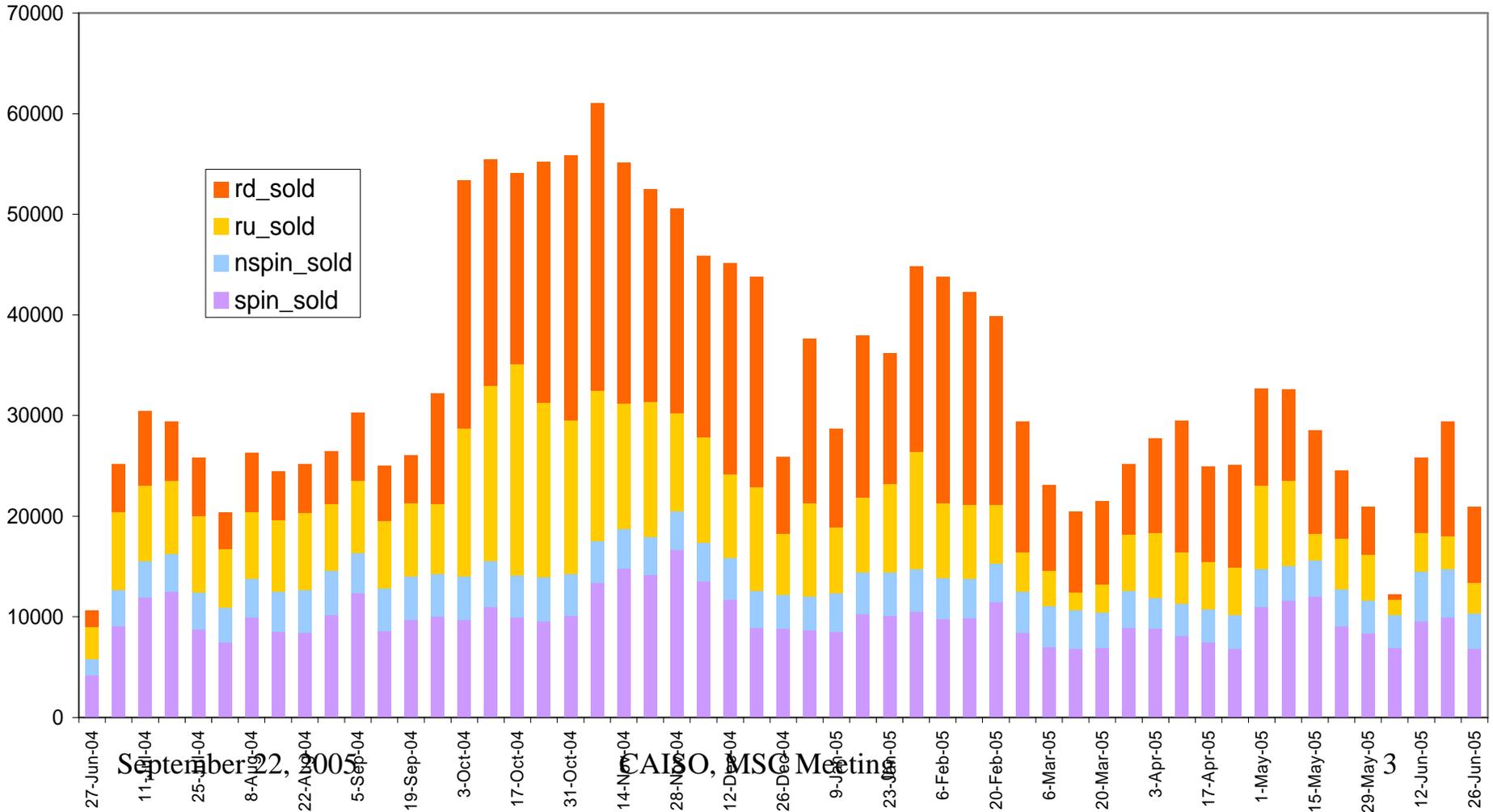
Issue Description

- The CAISO would like to build on the current Inter-SC A/S Trade functionality and improve it under MRTU
- Current Functionality allows for
 - Trade of Fixed Quantities
 - No negative load obligation
 - Manual workaround to prevent the stripping of A/S from Imports



Use of Functionality

Gross MW of A/S Traded Per Week





CAISO's New Proposal

- The CAISO is no longer proposing trading load obligations rather than Fixed Quantities.
 - Trades of A/S under MRTU will be of Fixed Quantities
 - A/S is not currently stripped off imports and under MRTU this will not happen either
 - SaMC will automate this function which is currently a manual workaround
 - The CAISO will allow negative load obligation



Justification for CAISO's Proposal

- Imports that serve ISO load should receive some recognition for their A/S as imports come with reserves and are therefore superior to equivalent domestic generation



Summary

- Trade in A/S will be of Fixed Quantities, not Load Obligations
- A/S is not currently stripped from Imports and this treatment will be unchanged under MRTU
- The Load Obligation will be allowed to go negative, resulting in a payout to the affected party equal to the AS user rate (not the ASMP for the product) similar to over-self-provision



Request for MSC Input

- Any Comments, Concerns, or Suggestions?