

Stakeholder Comments Template

Subject: Ex Post Price Correction Make-Whole Payments for Accepted Demand Bids

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January 6, 2010

As a follow-up to the discussion during the December 23 stakeholder conference call, the ISO welcomes written comments on the Straw Proposal for Ex Post Price Correction Make-Whole Payments for Accepted Demand Bids (“Straw Proposal”) dated December 16, 2009. This template is offered as a guide for formulating stakeholder comments and for any additional comments that participants may have based on the discussion during the call. Documents related to this meeting are posted at:

<http://caiso.com/2453/2453ab8e10ff0.html>.

Written comments should be submitted by close of business on Tuesday, January 5, 2010 to: dliu@caiso.com.

Please comment on the following design issues and the proposed solutions discussed in the Straw Proposal.

1. What is your entity’s view on the make-whole payment calculation method?

As indicated in our Nov ’09 comments and for the reasons stated therein, WPTF believes that the bid cost recovery should be based on the final bid curve rather than the bid segments as the CAISO proposes.

2. What is your entity’s view on the proposed make-whole payment approach for virtual bids?

WPTF believes the mechanism should apply to virtual bids, though expresses the same reservation about the technique the CAISO proposed as indicated in our answer to Question 1.

3. What is your entity’s view on the proposed make-whole payment settlement?

WPTF continues to ask the CAISO for additional information about the settlement impacts of the CAISO’s proposal. Whereas the net dollar impact seems relatively minimal to date, WPTF prefers to not put in place a mechanism that – for example – creates risks to the revenue adequacy of CRRs. WPTF would be pleased to offer a

final position on the proposed allocation after the CAISO has further described the impacts of funding the payment as proposed (e.g., where do the dollars come from; do they impact CRR settlements, etc.)

4. Other comments:

WPTF would like clarification as to the CAISO proposal section 2.1 statement: “The above proposed make-whole payment would apply on an hourly basis to export and load in the hour-ahead scheduling process (HASP), and to load only in the day-ahead.” Does the statement suggest that the make whole payment would not apply to exports in the DA, and if so, why not? It would be helpful for the CAISO to clarify this.

WPTF appreciates the opportunity to make these comments and to seek this clarification.