



Commission grant SCE permission to intervene in this proceeding. SCE hereby reserves its rights to raise substantive issues regarding all aspects of this proceeding, and to file additional comments, as warranted by the proceeding. SCE designates the following person for service on the Commission's service list in this proceeding:

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## **II. COMMENTS**

### **A. Introduction**

In a filing with the Commission on June 5, 2009,<sup>1</sup> the CAISO proposed tariff modifications to somewhat modify the current provisions regarding the designation of a reference bus as it pertains to the calculation of the marginal cost of energy. Specifically, the CAISO proposal will provide the CAISO the flexibility to use a distributed generation reference bus as a backstop measure in cases where the Integrated Forward Market ("IFM") cannot solve using a distributed load reference bus.

SCE is supportive of the CAISO's proposal, and appreciates the added clarification that has been incorporated into the tariff language with respect to clarifying the Load Distribution Factors ("LDF") that will be used, as well as clarification that a distributed generation reference bus will only be used as a backstop in the IFM market.

That being said, SCE requests additional transparency, and urges the Commission to require the CAISO to publish the LDFs that were used to solve the IFM, RUC, HASP, and Real-Time markets.

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<sup>1</sup> On June 9, 2009, the CAISO submitted an executed signature page for this filing.

## **B. Comments**

As stated in the CAISO's proposed tariff revisions, calculation of the distributed load reference bus for all markets is based on the LDFs that were active for the given day/hour. If the CAISO does not release the LDF information, Scheduling Coordinators ("SCs") are able to neither verify the calculation of the reference bus nor validate and verify the CAISO's published prices. For example, in the CAISO's published price correction report dated June 8, 2009, the CAISO notes that 56 distinct market intervals were price-corrected, and, of those, 23 corrected intervals were due to incorrect load modeling, which is further explained by the CAISO as stemming from inconsistencies discovered between the LDFs used to distribute the demand in the market model consistent with the actual network configuration.<sup>2</sup>

If the CAISO fails to publish the LDFs used in the market runs, Market Participants are unable to validate the LMP prices being published by the CAISO, and are dependent upon the CAISO price validation process to flag all intervals where LDF problems exist. Given that the CAISO only corrects the intervals after the fact where the LDF problem is significant enough to cause abnormal prices, there are potentially intervals with incorrect LDFs which are not corrected by the CAISO. Furthermore, without the release of LDFs, it is impossible for Load Serving Entities to validate the Load Aggregation Point ("LAP") LMP price that is used to settle its load obligation.

For these reasons SCE views the release of the market LDFs as being critical for Market Participant evaluation and validation of CAISO market results. SCE urges the Commission to require the CAISO to release the LDFs used in the IFM prior to running the market for a given market day and release all LDFs used for RUC, HASP, and the Real-Time market one day after the operating day in order for Market Participants to incorporate the LDFs into the price validation and market settlement dispute processes.

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<sup>2</sup> CAISO price correction report for the week of May 18-24. <http://www.caiso.com/23c7/23c7a47a730f0.pdf>.

### **III. CONCLUSION**

For the foregoing reasons, SCE requests that the Commission require the CAISO to publish the LDFs used in the IFM, RUC, HASP, and Real-Time markets.

Respectfully submitted,

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*/s/ Erin K. Moore*

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Dated: [June 26, 2009](#)

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing **INTERVENTION AND COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY ON THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S JUNE 5, 2009 FILING** upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rosemead, California, this 26<sup>th</sup> day of June, 2009.

/s/ Lorena Hipolito  
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