

# CC Modeling Update

MSWG 3/24/06

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Draft - For Discussion Only

# Current Status

- The sixth quarterly update to FERC was filed in February.
  - It contains additional detail on recent technical negotiations with MPs and current activities.
- A CC modeling technology research report conducted jointly with ISO-NE was completed and posted on our web site in February.
  - It produced no silver bullet.
- Discussions with MPs have moved toward a preference for making marginal improvements to current multi-unit modeling rather than taking on the R&D effort required for a more sophisticated model.

# Current Status

- Mechanisms to improve bidding efficiency in the DAM are under examination.
  - Expanded bidding methods have been identified as a possible approach, alternatively
- Market Operations has performed some simulations to examine the feasibility of using a current SCUC capability to create what we call a Pseudo State model to address DAM issues.
  - Feasibility is currently being discussed with ABB and with interested MPs
- May have results and a recommendation by MSWG next month.

# Current Status

The objective remains:

to provide high value improvements in CC unit management in a low risk manner by 4Q 2006 in accordance with our current FERC obligation and commitment to Market Participants.