

Rules Assessment Initiative Status Report

MSWG 3/24/06

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Draft - For Discussion Only

Topics

- Background
- Current Status
- Near-term Realities
- Recommendation

Background

- Scope – (December '05 MSWG) presentation
 1. Evaluate the performance of the SMD2 system
 2. Assess the degree to which current market rules are producing the results for which they are intended.
 3. Consider factors associated with new market functions or expected/ potential changes:

Current Status

- Evaluate the performance of the SMD2 system
 - Address initial deployment issues
 - Short term load forecast
 - RTD GT dispatch
 - Modeling
 - Enhancements
 - Market Advisor Analysis
 - Addressing recommendations

Current Status

- Assess the degree to which current market (specifically scheduling and dispatch) rules are producing the results for which they are intended. Not yet begun in lieu of:
 - Pricing and settlements work
 - SMD2 activities
 - Mandated new market functions or changes

Current Status

- Consider factors associated with new market functions or expected/ potential changes:
 - Active initiatives
 - Combined Cycle modeling
 - Self supply of reserves
 - Expansion of wind capacity
 - Demand side participation
 - Controllable interfaces –
 - Identified but not currently active
 - ITS
 - Distributed Generation

Near-term Realities

- Will continue to address SMD2 performance issues
 - Market Advisor recommendations
- Active initiatives must proceed
- Priority remains Execution Improvement
- Schedule and dispatch rules assessment
 - 2006 efforts will focus on concept development
 - Implementation opportunities will be assessed as part of ongoing budget process.
 - Low (or no) resource impact items in '06, if possible
 - MSWG discussion suggested to start in April '06

Recommendation

- Separate S&D rules assessment from other activities for purposes of scheduling and reporting.
- Devote 2 hours of each MSWG meeting to S&D rules work.
- Begin MSWG work at the April meeting with solidifying a specific issues list and begin the method and priority discussion.