

## ISO COMMENTS ON

### Market Modifications to Accommodate Flexible Bidding and Bilateral Transactions

(May 16, 2000)

The following comments reflect the ISO position at this time regarding the changes called for in the referenced draft document. The document is the product of a small subgroup of the MSWG of which the ISO (Bob Thompson) was a participant.

- The ISO understands the issues that the modifications are intended to address and supports proceeding to achieve the objectives identified in the document.
- The ISO agrees that the multi-path approach is a desirable way to proceed with implementation
- Specific approaches to add flexibility to load, generation and transaction bidding will be developed as part of the multi-path approach.
- Generation bidding changes will be more complicated than will changes to support load bidding.
  - ⇒ All require MIS and Billing software changes.
  - ⇒ Bidding of internal NY load without price caps will be the least difficult to implement from a software and process perspective.
  - ⇒ The addition of price sensitivity to virtual load bidding will require SCUC changes.
  - ⇒ Virtual generation bidding will also require SCUC changes that will likely be substantial.
  - ⇒ The implications of the changes requested for transaction bidding have not yet been assessed.

#### Schedule

- Detailed software requirements and database work on the above tasks can begin in early July.
- Prior to that resources will be committed to completing the Summer 2000 projects.
- Earliest target date for virtual load bidding of non-price-capped load will be Oct 1, 2000
- Tariff assessment work will begin in early June in order to assure that any tariff changes required for the virtual load bidding will have been filed 60 days prior to the targeted start. Any tariff changes required for price-capped virtual load bidding should also be submitted at this time.
- The next likely improvement will be the addition of price-caps to virtual load bidding. The target schedule will be determined in July.

- A more detailed conceptual approach to virtual generation bidding can be developed and a schedule established by the end of summer depending upon the work load demanded by day-to-day events this summer.
- Desired changes to transaction bidding mentioned in the last paragraph of the “Discussion” section of the referenced proposal needs more discussion before any schedule or activity planning can proceed.