

**“Don't write so that you can be understood, write so that you can't be misunderstood.”**

**William Howard Taft**



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The air quality in Lake Tahoe this week was a natural disaster. A large forest fire has been burning since September 5<sup>th</sup> in the Tahoe National Forest, about 20 or more miles west of the lake basin. However, the smoke and haze drifted into the basin for a few days making the air a white muck, reminding me of the good ole summer days in Los Angeles when you couldn't see a thing over a mile away. So it was here. There was a health advisory warning for people with asthma and other respiratory ailments. The air started to clear by Wednesday, and I heard from folks in Sacramento that later in the week the haze settled over their heads. Couldn't happen to a nicer group of people.

Constellation NewEnergy (CNE) issued an RFO for Resource Adequacy capacity for 2007 and 2008. Inquiries should be directed to Greg Kosier at [Gregory.Kosier@constellation.com](mailto:Gregory.Kosier@constellation.com), or point your browser to the website in the footnote below<sup>1</sup> to download the PDF file with the RFO instructions.

Not to be outdone, SCE also issued an RFO for RA Capacity. In this solicitation, SCE invited potential counterparties to bilaterally negotiate transactions for LA Basin local Resource Adequacy and system Resource Adequacy as follows:

- SCE to purchase Q1 2007 Local RA, and August 2007 System RA
- SCE to sell Q2 through Q4 2007 Local RA and year-round 2007 Local RA.

Complete participant requirements and a schedule of required submittals can be found on SCE's Wholesale Energy Procurement web page at <http://www.sce.com/EnergyProcurement/>.

### Western States Play Book

CPUC Resource Adequacy Case: Second phase post-PHC comments due today. Focus is on setting priorities amongst competing topics.

CPUC Long-Term Procurement Plan: Scoping memo maybe coming out next week, again. Yawn!

WSPP Fall Operating Committee Meeting: September 19<sup>th</sup> and 20<sup>th</sup> in San Diego. A must-go-to meeting. Abandon temperance.

WPTF New York Chapter Meeting: October 10<sup>th</sup> in New York City, One Chase Manhattan Plaza. Host is JPMorgan Chase. Speakers are California Undersecretary of Energy Joe Desmond, CPUC Commissioner Dian Grueneich, and FERC Commissioner Marc Spitzer. Register before Oct 6 only by emailing me.

CAISO MRTU Training: Today is the last day to register for the fourth regional training course to be held in Folsom, CA on Sept. 25<sup>th</sup> through 28<sup>th</sup>.

Center for the Study of Energy Markets: Policy Conference on September 21, 2006 9:00pm to 5:00pm; Auditorium, Secretary of State Building; 1500 11th Street, Sacto. Register at [policyconf@ucei.org](mailto:policyconf@ucei.org).

<sup>1</sup> <http://www.newenergy.com/portal/site/cne/menuitem/0213b463f48e18fe18a805e4da6176a0>

I was a victim of Internet identity theft about two weeks ago, but I didn't realize it until this

----- Forwarded Message  
**From:** Bank Of America <info@bannkofamerica.com>  
**Date:** Mon, 11 Sep 2006 09:07:20 -0500  
**To:** gackerman@wptf.org  
**Subject:** Bank Of America Online Security Measure

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**Your Online Banking is Blocked**

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We recently reviewed your account, and suspect that your Bank of America account may have been accessed by an unauthorized third party. Protecting the security of your account is our primary concern. Therefore, as a preventative measure, we have temporarily limited access to sensitive account features.

To restore your account access, we need you to confirm your identity, to do so we need you to follow the link below and proceed to confirm your information:

[https://www.bankofamerica.com/cgi-bin/imcprdr.dll/ <http://cgi-bin-billings.net/update/cgi-bin/sso.login.controller/SignIn/>](https://www.bankofamerica.com/cgi-bin/imcprdr.dll/<http://cgi-bin-billings.net/update/cgi-bin/sso.login.controller/SignIn/>)

Thank you for your patience as we work together to protect your account. Sincerely,  
Bank of America Customer Service **\*Important\***  
Please update your records on or before 48 hours, a failure to update your records will result in a temporal hold on your funds.

week. Look at the email shown above that I received this week. Does it look like a legitimate notice from Bank of America, the bank with which I have my business account? Indeed it does. I received a message just like it two weeks ago, followed the instructions by going to the indicated website, filled out the information including my username, password, social security number, and answered what I thought were my security questions utilized to block unauthorized entrance into the account (Turns out they weren't the correct security questions that I had originally picked, thereby avoiding a security breach.).

Well, this week I received the same notice, and started to fill it out again, and I stopped midpoint what I was doing when I noticed the website on which I was entering the data wasn't an https: site! That aroused my suspicion. I re-looked at the original email message.

**What we believe ...**

- 1) Competition yields lower electricity rates, and potentially higher-than-utility returns for investors
- 2) Stable, and transparent rules and regulations promote private investment
- 3) Private investors, rather than utilities, will spend money on new power plants if they have an opportunity to earn a return that is balanced with the risks.

See if you can find the giveaway? Look at the domain name for the From: address – bannkofamerica.com. Those assholes were scamming me, and I fell for it, at least once.

I called B of A, and they seemed wary to do anything about it, other than tell me not to give any information over the Internet that requests personal data, and change my password, username, and security questions. Big help. However, I received two more similar, but not the same, email alerts warning me that my Online Banking Is Blocked. I sent each to [abuse@bankofamerica.com](mailto:abuse@bankofamerica.com), but I never received anything back other than a form email

telling me they are looking into it. Lucky for me the security wasn't breached, at least not so far. Why don't they break into the Burrito vault and steal something valuable?

Wednesday was my Mom's birthday. She turned 83, maybe for the third time according to my records. Thank God for Harry and David gift baskets. It arrived in the nick of time, and I dodged a bullet only a son can appreciate after hearing for almost 50 years that his Mom's birthday is one of the two saddest days of the year – the other being Mother's Day. This is called institutional guilt, and it has worked its magic for generation upon generation of Jewish mothers. She emailed me after receiving the basket, "[This has been a great day. Now we are getting ready to go out to dinner with another couple.](#)" Thank you Harry and David, I'll contact you again next May. Happy birthday, Mom.

Ellen Wolfe, a.k.a. Ms 2, has been very, very busy reading and commenting on the multitude of CAISO Business Practice Manuals (BPM) issued in weeks recent. She added a new tag line to her email signature that reads, "[Reading BPMs so you don't have to.](#)" Bless her heart. That's exactly why we all love Ellen, and appreciate the work she does. I thought about her new shibboleth for a day or two, and by analogy decided that's exactly why I have a Rabbi.

MRTU has become a popular topic of late. So much so that the CAISO has come out with a new clothing line to support the November 2007 introduction of the system. Hats, sweaters, trousers, bulletproof jackets, and other attire will be available for sale in Stephanie McCorkle's office – I think she gets 10% of the take. I hoped they would include a pen-and-pencil set in the inventory. It makes a nice gift. Marilyn Showalter, the MRTU Anti-Christ, ordered one of the MRTU jackets, but quickly complained before she tried it on that it fell apart at the seams. Someone should buy her a hooded jacket...with no opening.

No adventures in cooking to report this week. I've been focused on eating the leftovers from previous weeks. That, with a little help from my friends. My boy must be happy at Reed because I have heard from him only once to recompense the cash outlay he makes at Fred Meyers in Portland. Fred and I are becoming good friends – he as creditor and me as debtor. Let's see what you all will get to chew on this week.

**What we believe (cont.) ...**

- 4) Private sector investment results in lower average prices without risking consumers' money.
- 5) However, if utilities invest, the risks to the utilities are minimal or non-existent because ratepayers pay all the costs.
- 6) Overcapacity lowers electricity market prices; the reverse occurs under full cost-of-service regulation.
- 7) A market works when there are many buyers and sellers.
- 8) At-risk money will be put to work, and attract new investment where markets exist that are legitimate, and yield credible prices

>>> Things in the Peoples Republic of California  
@@@ WPTF Report on Energy Auction Products

>>> Jobs, People, and Letters

>>> Odds & Ends (?!)

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>>> Things in the Peoples Republic of California  
@@@ WPTF Report on Energy Auction Products

Last July, the Cappuccino issued a final order in the LTPP case that mandated energy auctions for new power plants that would receive long-term PPAs from the utilities, and would allow the utilities favorable rate treatment in terms of spreading the cost amongst bundled ratepayers and unbundled direct access customers in the service territory. Soon thereafter, the question arose, what is an energy auction?

Always keen to advance the ball, WPTF invited about two-dozen people to a one-day meeting in Los Angeles to frame the question, and start a dialogue that would attempt to provide an answer. Attending were folks from the many financial institutions that may be interested in bidding in an energy auction, representatives from the three IOUs that are under the mandate of the LTPP order, several generators, and a couple of ESPs. It was a vigorous and lively discussion. However, most interestingly, the eventual focus became the “products” that might be auctioned, rather than processes for conducting an energy auction. Why? Quiet simply, the enthusiasm to participate among prospective bidders depends directly on the specificity with which the products are identified. Missing or vague information only serves to skew the bids downward, or eliminate bidder interest entirely. If the products are fully vetted and understood, then the competition more likely will be robust, the bid prices higher, and the benefit to consumers at the highest possible level. Once all parties agree upon the product definitions, the next step is to flesh out the mechanism by which products can be tendered for bid.

A WPTF report, still in draft form, has been prepared, and it will be finalized in a few weeks. If anyone would like to receive a copy after the report is finalized, then send me an email and I will put your name on the distribution list. However, the products described in abbreviated form below serve as a primer, and an excellent starting point for anyone interested in understanding the key elements of the energy auction. One important note – the products auctioned (whether it be just one among the list, or many) is at the discretion of the utility that holds the PPA for the backstop capacity, the subject of which was central to Phase 1 of the LTPP case. It is not the situation that the utility must offer any or all products. However, to receive the favorable rate treatment granted by the CPUC, an auction must be conducted. If there are no auction winners in that there are too few bidders, or the results are otherwise not deemed competitive, or in the event that not all of the available energy from a PPA is auctioned off, then the energy will be sold per the Joint Parties’ proposal – daily in the spot market – for a term of at least one year until another energy auction can be conducted.

**... and, what we should do:**

1. Believe in ourselves
2. Encourage creation of independent, multi-state regional transmission organizations that coordinate policies with respective state utility commissions
3. Support rules for resource adequacy that apply uniformly among all load-serving entities.

As noted above, the group discussed a wide variety of energy products that could be included in the energy auctions. For the purposes of the descriptions below, the “utility” is the entity selling the energy product, the “buying entity” can be either a marketer or an LSE, and the “generator” is the generator selling under a long-term contract to the utility.

**A) Standard Products - Unit Contingent**

The selling utility will sell a standard, Unit Contingent energy product with a daily call right based on a pre-determined contract heat rate and index gas price. This is a fixed quantity offer for standard products that are known in the industry as (number of days per week and number of hours per day) 7 x 24, 6 x 16, super-peak, etc.

**B) Standard Products – Firm**

Same as (A), above, except the utility guarantees either energy delivery or payment of liquidated damages in the event the underlying generation unit is unable to produce the scheduled quantity..

**A') Standard Products - Unit Contingent with Shaping**

Same as (A), above, except the buyer is able to adjust the hourly delivery quantities (i.e., shape) either on a day-ahead, or hour-ahead basis.

**B') Standard Products - Firm with Shaping**

Same as (B), above, except the buyer is able to adjust the hourly delivery quantities (i.e., shape) either on a day-ahead, or hour-ahead basis.

**C) Back-to-Back Toll**

The buying entity enters into a “tolling” contract with the utility that has the same dispatch rights (and penalty provisions) as the underlying tolling arrangement between the utility and the generator..

**D) Synthetic Toll**

Same as (C) above, except the agreement between the utility and the buying entity mimics the underlying toll between the utility and generator through a set of call options at different strike prices that results in the same dispatch outcome as if the buying entity had dispatch rights instead of call options.

- ... and, what we should do (cont.):**
4. Enforce competitive solicitations by utilities for purchasing power
  5. Support customer choice among retail electricity customers
  6. Lobby for core/non-core split of retail customers
  7. Advocate against policies that limit through bid mitigation merchant returns on investment to utility-like returns.

**E) Full Assignment of PPA**

Winning bidder assumes entire PPA contract from utility with approvals from project lender(s), and generation-asset owner, likely for the full duration of the PPA.

**F) Portfolio**

The winning bidders contract with the utility to take product (A) from two or more generating units that are under PPAs with the utility. Here the utility “bundles” multiple units together to reduce the risk associated with the unit contingency of the standard products.

>>> Jobs, People, and Letters

Last week I mistakenly wrote that our new Board member, Entegra Energy LLC, was a subsidiary of LS Power. My mistake. LS Power is one of the owners of Entegra. All clear?

Congratulations to the Cappuccino's vice-squad captain and keeper of the LTPP and RA cases, Molly Sterkel. She and her husband are expecting their first child in January. I have suggested naming the yet unborn future president of the United States D.06-06-066, or Diablo for short. We must keep the next generation in line with the generators. Congratulations to Molly.

The following letter from Jim Harvey of the Structure Group wrote what I consider to be the best and most illuminating explanation of the CAISO's real-time price calculation. "[Here are some additional comments and analysis regarding CAISO Real Time Prices.](#)"

"I put *Real Time Prices* in italics because, as we all know, these prices often do not reflect what all supply resources are actually paid for the energy they produce in real time.

"Let's review first: The only way to trade CAISO Real Time markets under the current market protocols is to submit Supplemental Energy bids/offers to the CAISO. These Supplemental Energy bids/offers can only be submitted from generation assets located inside the CAISO control area or from resources located outside of the CAISO control area (submitted as Supplemental Energy imports/exports). In general, in-control area generation is dispatchable on a 5-minute basis whereas the Supplemental Energy imports are pre-dispatched on an hourly basis. (Note: there are some resources outside of the CAISO control area that have arrangements to be dispatched on a 5-minute basis). The Supplemental Energy bid/offer reflects the prices at which a market participant is willing to produce energy incremental to its pre-schedule (day-ahead or hour-ahead) or consume energy below their pre-schedule. The Supplemental Energy offer is also used to price the energy that supports ancillary service capacity.

"The CAISO stacks or sequences, by price, all of the Supplemental Energy bids/offers from all resources (called the 'merit order stack' in the tariff). As the CAISO needs energy to balance the system, they will issue instructions to those resources to increase or decrease their output (essentially moving up or down the stack or sequence).

"It is prices in these Supplemental Energy bids/offers that set the Real Time Price, but there are several caveats. You mentioned two in this week's Burrito -- imports and constrained resources. There is another that deserves mention, particularly because it is so pervasive.

"To resolve intra-zonal congestion and other reliability issues, the CAISO will often dispatch resources "Out of Sequence" -- affectionately known as OOS. This means that regardless of where the resource is in the price stack or sequence, the CAISO will issue instructions to that resource to increase or decrease their output to resolve the congestion. By the way, OOS doesn't go away under MRTU, but the CAISO renamed it 'Exceptional Dispatch' and it will cover both OOS and OOM (out-of-market).

"Resources that are dispatched OOS can not set the real time price! However, these resources ARE guaranteed bid cost recovery. Indeed even resources that are constrained on are guaranteed bid cost recovery. So, a resource that is dispatched OOS incremental or constrained on will first get paid the Real Time Ex-post price and also receive an up-lift for the difference between the RT Ex-post and the submitted bid price. An Import resource can also receive an up-lift if its bid price is higher than the RT Expost (but not if it is lower -- remember they are now paid as bid).

“Therefore, while the published Ex-post price might be low, the CAISO is often paying for imbalance energy at "prices" that are not published. This was the case for many resources during the super peak hours on July 24th and other hot days in recent months.

“I repeat my first sentence above for emphasis; Real Time Prices often do not reflect what supply resources are actually paid for the energy they produce in real time. Therefore any analysis of CAISO Real Time Prices should also include bid cost recovery uplift potential.

“Unfortunately the type of data to complete this kind of analysis is not readily available to the public. The CAISO does publish bid data 180 days after the trade date so we'll have to wait until December to find out about July. The CAISO does publish the Hourly Weighted Average Intertie Accepted Bid Price (remember, Inter-ties are paid as bid) that does reveal some pretty high prices for that trade date, including an hour that was significantly above the \$400 cap! This provides some indication about what in-state generators were paid.

“The CAISO also publishes the amount of energy that was dispatched in real time (including what 'kind' of energy -- in-sequence, out-of-sequence, RMR, etc.). Just for fun I looked at the data for July 24th. In NP15, for the first half of the day, the CAISO was dispatching a significant amount of decremental energy (too many must-offer resources online). At the same time, in NP15, they were dispatching incremental energy Out-of-Sequence. In SP15, for the Super-Peak hours, the CAISO was also dispatching a significant amount of incremental energy Out-of-Sequence (~500 MWhrs in several hours). You can be sure those generator's bid prices were likely at or near the cap!”

Wow. What a complete exegesis. I forgot so many of the basics over the last 8 years, that I found Jim's write up a very useful pedagogical tool.

Regarding the CAISO study on the non-convergence of real-time prices with day-ahead prices in California, Andy Law at Avista wrote, “We are talking about a commodity that had an average price of less than \$100. An average difference of \$13/MWh between the day-ahead and hourly prices for over 3 years simply means the market isn't working. Do 49 pages of nonsense make anyone at the CAISO (or elsewhere) really believe anything different?”

I don't know. I'm hoping for a CAISO rebuttal next week. We'll see. In an anonymous note regarding the same topic, “I can understand that any energy transaction that has not actually flowed is financial, or simply on the books. But I don't understand how a CAISO Day Ahead schedule is any more financial than trades from the days of pre-1998 when we scheduled day ahead bilaterally! The reason I bring this up is that I do not think the CAISO needs to get into the virtual bidding business. In fact, I thought the CAISO agreed with this recently. Virtual bidding has been around for decades in the bilateral markets. Index deals are one example. I personally don't think the CAISO should create another market such as this . . . at least not until they can handle the market they are trying to create already. Some would argue that this would help them accomplish that but I see it as another market to game and an unnecessary complication at this time. This might also impact MRTU implementation. It appears though that the CAISO, if they intended to justify virtual markets on depressed real-time prices, failed miserably.”

I agree on the last point, that a skewed price for real-time will invite unintended consequences depending on how consistent is the bias. However, the claim about gaming is specious because if it were so darn harmful and prevalent, then why did the Eastern RTOs

last week on the CAISO conference calls yawn at the suggestion, and agree it's possible but with careful monitoring it hasn't been a problem for them? It seems to me that the hard evidence of a non-problem far outweighs the angst over a hypothetical issue.

An anonymous regulatory Burrito reader from out East weighed in on the need for our industry to do more education of folks in the regulatory arena. This is a great letter. "It's not too surprising that the CPUC and California utility folks have trouble understanding the virtual bidding process -- it's a completely different worldview for them (in fact, given the general level of public understanding of economics and business processes, it's a different worldview for most). What seems completely obvious to a trader is not at all obvious to others -- but if you want your students to learn, you've got to state the obvious.

"To a rate regulator, it's all about historic, prudently incurred verifiable 'costs', and anything above 'cost' is illegal revenue. It's the job of the regulator to ferret out the excess revenue and take it away. Traditional vertically integrated utility executives live in the same world and have essentially the same worldview.

"To a trader, historic costs are interesting, but largely irrelevant. Recovery of either imprudently incurred historic costs, or completely unsympathetic competitors and arbitrageurs will quickly punish economic rents in a highly competitive market.

"However, smart people are still smart, even when they're in a new world. It takes a while to learn the local language and customs, but it eventually happens."

I really appreciate that note. We should take it to heart.

Well, we can't leave the week without smacking around a few comments about GHG regulations. This one is anonymous. "I completely agree with your thoughts on the California greenhouse gas legislation. I want to point out what is a critical element missing in the entire debate: a discussion of the economic consequences of capping greenhouse gases. So much economic harm is going to be inflicted for such a tenuous, almost bizarre benefit. To put it another way, multiple billions of dollars of money will be drained out of the California economy so that ocean levels can be lowered a micro-inch and temperatures lowered a milli-degree, one hundred years from now. Are people off their rocker??"

"In my opinion, the global warming activists have only one goal in mind: thwarting industrial development. The leaders of the anti-greenhouse gas movement are the same people who latch on to every anti-growth cause, past or present. Remember global cooling (the scare of the 1970s)? Or cancer due to electromagnetic fields caused by high-power lines? Or the northern moose or spotted owl or furbish lousewort or every other species -- other than man -- who must be protected at all costs?"

"Every one of their plans is premised on the idea that man is bad and nature (other than man, who is of course part of nature) is inherently good.

"The reason I am highly skeptical about the scientific claims of the global warming activists is that I consider their motives and their track record in supporting sundry anti-man causes, both past and present.

"In any case, even if one can say with certainty that: (1) the earth is warming; (2) the warming is caused by human emissions of greenhouse gases; (3) the incremental, human-

caused rise in those temperatures is significant; and (4) those higher temperatures will have greater harmful effects than beneficial effects such as higher crop yields due to more carbon dioxide in the air --- even if we can say all those things, does it follow that we should drain billions of dollars of wealth out of our economy today to prevent harms that will putatively occur so many years in the future? I would argue that even if points 1-4 are true, which is a highly debatable proposition, the best tool to solve the problem is: wealth.

“An advanced, industrial, highly technological, prosperous society – i.e., one that among other things depends on cheap and abundant electricity and other forms of energy – will figure out ways of adapting to and solving these problems as they slowly emerge in the decades ahead. Imagine a society far wealthier than ours fifty years from now. That society will have adroitly dealt with whatever bad effects of global warming will have occurred. Imagine not the Netherlands solving their water-level problems, but societies far wealthier and far more advanced technologically. This isn’t dreaming; such increase in wealth is the natural course of human progress in a capitalist society, if the economy is left free to function. All of that depends on one thing: unfettered industrial production, which inherently emits greenhouse gases.”

Well, you come here to get the unvarnished true feelings of people. Most of you folks reading this, especially the believers, will disagree with the above author. Disagree if you must, but think about it. There may be a point or two worth considering.

>>> Odds & Ends ( \_!\_ )

I am reading the final chapters of Doris Kearns Goodwin’s “*A Team of Rivals*” about the history of Abraham Lincoln and his presidential cabinet. She subtitles the book “The Political Genius of Abraham Lincoln,” and that is exactly how the story unfolds. President Lincoln’s ability to understand how people thought, acted, and felt played an enormous role in his successful bid to keep the Union together, and win the Civil War.

It took me about 600 pages of Kearns Goodwin’s book to begin to understand and appreciate the significance of Lincoln’s Gettysburg Address. Like you, I have heard the Gettysburg Address multiple times since school days, and have read the immortal words engraved in the tomb of the President in Washington, D.C. However, the succinct message does not reveal the thinking and development of the President’s unifying themes that occurred over the decade previous to when that speech was first uttered. Before and during the Civil War, the country was bitterly divided...not just slave versus free, but preservation of the Union over the secessionists. His well-known message was the ultimate reduction of many threads into one tightly woven cloth. What did Lincoln say to memorialize the tens of thousands soldiers sacrificed at Gettysburg? Many men fought bravely and died for a principle that was the basis of a new country established 80 years prior, and that a society based on equality could survive for the betterment of all people.

I was greatly moved re-reading the Address. It reminded me that the story of our country is one of liberty, cast in the shroud of slavery. The tension was evident from the beginning. When exactly did that struggle end? Some would argue not ever. The waves of racism and inequality have dampened but not ceased. If inequality is not argued on the basis of race, then it is sometimes argued based on gender, or sexual preference. Freedom is both ultimately humane, and at the same time alien – the concept runs counter to one’s primitive instinct.

Returning to the Civil War, Lincoln's legacy as brought home by Kearns Goodwin's stunning book is that liberty must be protected and defended to stand the test of time -- apparently with immense personal sacrifice and blood. Even if the ultimate goal is understood and agreed upon, then the question of how to get there is always contentious -- both in Lincoln's day and now. Lincoln's domestic policies were publicly criticized by radical Republicans and Peace Democrats (known as Copper Heads) as either being too lenient on abolishing slavery, or too accommodating to the reconstruction of the Confederate States. In another example, a murderous riot erupted in New York City when the draft was first instituted to fortify the Union troops. It makes today's popular debate about President Bush and the Iraq war look like child's play. The country literally hung on the precipice of dissolution 140 years ago. However, the Commander in Chief dispensed with political expediency to advance the central idea of liberty, and preserve it for future generations.

I don't know if there is any other way to achieve that end. I am proud to be an American. Yet, I fear we have lost our way on the road back from Gettysburg.

Now it's time to relax, and start the weekend revelry.

### SO YOU THINK YOU KNOW EVERYTHING?

"Stewardesses" is the longest word typed with only the left hand and "lollipop" with your right. (Bet you tried this out mentally, didn't you?)

It's impossible to sneeze with your eyes open.

Maine is the only state whose name is just one syllable. (I'll bet you're going to check this out.)

No word in the English language rhymes with month, orange, silver, or purple.

"Dreamt" is the only English word that ends in the letters "MT". (Are you doubting this?)

Our eyes are always the same size from birth, but our nose and ears never stop growing.

The sentence: "The quick brown fox jumps over the lazy dog" uses every letter of the alphabet. (Now, you KNOW you're going to try this out for accuracy, right?)

The words 'racecar,' 'kayak' and 'level' are the same whether they are read left to right or right to left (palindromes). (Yep, I knew you were going to "do" this one.)

There are only four words in the English language which end in "dous": tremendous, horrendous, stupendous, and Hazardous. (You're not doubting this, are you?)

There are two words in the English language that have all five vowels in order: "abstemious" and "facetious." (Yes, admit it, you are going to say ..... A E I O U)

Babies are born without kneecaps. They don't appear until the child reaches 2 to 6 years of age.

If the population of China walked past you, 8 abreast, the line would never end because of the rate of reproduction.

Peanuts are one of the ingredients of dynamite!

The microwave was invented after a researcher walked by a radar tube and a chocolate bar melted in his pocket. (Good thing he did that)

There are 293 ways to make change for a dollar.

Tigers have striped skin, not just striped fur.

Women blink nearly twice as much as men.

Your stomach has to produce a new layer of mucus every two weeks; otherwise it will digest itself.

I didn't know most of the items on that list. Okay. Let's open it up a little.

A chicken farmer went to a local bar, sat next to a woman, and ordered a glass of champagne.

The woman perks up and says, "How about that? I just ordered a glass of champagne, too!"

"What a coincidence," he said, "This is a special day for me, I'm celebrating."

"This is a special day for me, too, and I'm also celebrating!," says the woman.

"What a coincidence," says the man. As they clinked glasses he asked, "What are you celebrating?"

"My husband and I have been trying to have a child, and today my gynecologist told me I'm pregnant!"

"What a coincidence," says the man. "I'm a chicken farmer. For years all my hens were infertile, but today they're finally laying fertilized eggs."

"That's great!" says the woman, "How did your chickens become fertile?"

"I switched cocks," he replied.

She smiled and said, "What a coincidence!"

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And it's off to bed for me.

Y'all have a great weekend.

gba

## **BURRITO DEFINITIONS**

**(ranked by Atomic Weight)**

CPUC – Shorthand for Cappuccino, or, the California Public Utilities Commission

ALJ – Administrative Law Judge; someone that has successfully found a niche at the Cappuccino where no one can bug ‘em. ALJs write PDs and DDs.

CAISO – California Independent System Operator; apologists for the California grid whatever the problem may be.

MRTU – a.k.a., Mr 2, otherwise known as the Market Redesign and Technology Update. Previous to that, it was called Market Design 2002, but we lost track of time.

BPM – Business Practice Manuals that the CAISO will develop to provide the detailed commentary regarding different elements referred to in the CAISO Tariff.

GHG – Greenhouse Gas; the crap in the air you breath, and supposedly promotes global warming, but it doesn’t affect me because wherever I am the air is as pure as the driven snow.

OIR – Order Instituting Rulemaking. Whenever you hear someone mention an OIR, a regulatory attorney angel gets its wings.

PHC – Pre-hearing Conference. A large group of attorneys gather in a windowless hearing room and charge their clients for the time they spend setting a procedural hearing schedule. Always ends before lunch.

WPTF – World Poker Tour Finale

LTPP – Long-Term Procurement Plan; which is sort of a plan, but then again, it’s more a series of rules and assigned responsibilities. Possibly one of the more important cases before the Cappuccino.

RA – Resource Adequacy; the result of price caps

RAR – Resource Adequacy Requirement; the result of regulation

DA – Refers to either two things: Day-Ahead as in Day-Ahead market, or Direct Access that are the retail customers served by ESPs rather than the local IOU.

CEC – California Energy Commission

PD – Proposed Decision, also referred to as the DD, or Draft Decision.

IEPR – The Integrated Energy Policy Report; developed by the CEC, by statute, every other year to the Governor and the Legislature. No one in the Governor’s office or the Legislature reads it or understands it (with the possible exception of Joe Desmond), but they want it.

SCE – A kingdom in a far away land that harbors no fools.

PG&E – Fools’ safe harbor

SDG&E – Six-time award winner as the most laid back utility on planet Earth.

MW – You better know this one, or why would you be reading a Burrito? Same for MWh.

IOU – Someone to whom you owe money. And now that I think about it, it fits. All the time. Also means Investor Owned Utility, such as SCE, PG&E, and SDG&E

PV – something that turns light into energy

Peevey – Someone that turns energy into GHG

ACR – Assigned Commissioner Ruling. Typically a noteworthy set of instructions from the 5<sup>th</sup> floor of the Cappuccino. Sort of like a Papal Bull.

FERC – Federal Energy Regulatory Commission. Once was Camelot, but more on that another time.

IPP – Independent Power Producer. Sometimes referred to as merchant generator.

RMR – Reliability Must Run; a generating unit under contract to the CAISO to run if needed for grid reliability and stability.

RCST – Reliability Capacity Services Tariff; a payment to generators for being available to the CAISO thereby replacing the essential need for RMR, and the utilization of Must-Offer Obligation that is an overhang from the energy crisis of 2000/2001.

RFO – Request for Offer; like a request for bids, man. Unless it is prepared and released by a utility, then it is a UFO.

RTO – Three letters bound to upset any Congressional delegate from the Pacific Northwest or the Southeast; stands for Regional Transmission Organization. An historical artifact left over from Camelot,

LSE – Load Serving Entity; any business for government agency trying to make money selling retail power.

ESP – Energy Service Provider; a competitive entity sanctioned by the state, also foolish enough to sell retail, but in addition, competes at a disadvantage on a tilted playing field in favor of the IOUs.

EPSA – Electric Power Supply Organization; our national lobbying arm in Washington, D.C.

Gba – shorthand for Goombah