

Comments on CAISO's

Generator Contingency and RAS Modeling Revised Straw Proposal

April 5, 2017

The California Department of Water Resources (CDWR) appreciates CAISO's efforts towards the automation of the security constraints and welcomes CAISO's request for comments on the matter. CDWR's comments are limited to the congestion revenue rights considerations addressed in Section 6.11 of the Revised Straw Proposal.

CDWR supports the CAISO proposal to identify the best method for determining the maximum amount of transmission capacity that would need to be reserved in a given month for a given set of generator and RAS Modeling contingencies. CDWR recommends that CAISO involve Stakeholders in the process of developing such methodology. CDWR believes that the CAISO's proposal, to directly model the generator contingency constraints in the Congestion Revenue Rights (CRR) market model the same way it proposes to model the generator contingency in the day-ahead (DA) and real-time (RT) market, could improve the CRR Revenue Adequacy by accurately matching the grid conditions for the CRR allocation and auction processes with the DA and RT grid conditions.

CDWR does not support the CAISO's alternative method of using a global scaling factor since the global scaling factor method currently used by the CAISO provided little relief in minimizing the shortages in the CRR Balancing Account, according to a recent analysis performed by the CAISO's Division of Market Monitoring (DMM).