

## News Release

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### California ISO Board approves new steps to improve hedging market

FOLSOM, Calif. – The California Independent System Operator (ISO) Board of Governors approved today two improvements to the Congestion Revenue Rights (CRR) Market to limit and equitably allocate the impacts of unforeseen congestion costs.

This market enables transmission owners, utilities and other market participants to protect, or hedge, themselves against the fluctuations in transmission line congestion costs. The market helps facilitate forward energy market contracting which keeps energy costs lower by insulating consumers from market volatility. As the market matured over time, some issues arose regarding shortfalls between what the market auction of CRRs raised in revenues to what was ultimately paid out.

The two proposals approved today, which require further approval from federal regulators, build upon previous actions to strengthen CRR market efficiency and provide more equitable allocation of market shortfalls. These modifications are designed to help ensure that the ISO provides a CRR market that benefits consumers and market participants alike. Read more about our efforts and the continuing CRR market assessment [here](#).

The Board also approved today the application of Citizens Sycamore-Penasquitos Transmission LLC to become an ISO Participating Transmission Owner. The company, along with San Diego Gas & Electric Company, built the Sycamore-Penasquitos 230-kilovolt transmission line, which is located in the utility's service area and will be energized in the next few weeks. The line is needed to more effectively and efficiently deliver power to the utility's coastal areas. The application is also subject to approval by federal regulators and, if accepted, Citizens Sycamore-Penasquitos Transmission LLC will become the ISO's 18<sup>th</sup> participating transmission owner.

See the entire board [agenda and related documents](#) for more information.

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# California ISO

The California ISO provides open and non-discriminatory access to one of the largest power grids in the world. The vast network of high-voltage transmission power lines is supported by a competitive energy market and comprehensive grid planning. Partnering with about a hundred clients, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help meet a sustainable energy future efficiently and cleanly.