**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Notice of information collection and	)	**Docket No. AD19-16-000**
request for comments re Commission	)	
Information Collection Activities	)	
(FERC-922)	)	

**COMMENTS OF THE DEPARTMENT OF MARKET MONITORING
OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the

Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R.

§§385.212, 385.214, the Department of Market Monitoring ("DMM"), acting in its capacity

as the Independent Market Monitor for the California Independent System Operator

Corporation ("CAISO"), submits these comments in the above-captioned proceeding.

I. COMMENTS

DMM believes comparisons of metrics for different RTOs/ISOs on the efficiency of

congestion revenue rights (CRR) auctions would be useful common metrics.[1] Below we

propose four potential metrics. These metrics would likely fall under Group 2: Metric #16

Congestion Management.

The proposed metrics numbered (1) and (3) are metrics that the California ISO

already creates and have presented on multiple occasions.[2] Proposed metrics numbered

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[1] For purposes of this filing, CRRs also refers to financial transmission rights, transmission congestion contracts, and transmission congestion rights.

[2] For example see California ISO *CRR Auction Analysis Report*, November 21, 2017 pp.50:
http://www.caiso.com/Documents/CRRAuctionAnalysisReport.pdf

(2) and (4) provide a break out of metrics numbered (1) and (3) by market participant type.

(1) CRR Auction Profits

The total net payment made to auctioned CRRs less the total net revenues generated in the auction, excluding converted ARRs.

(2) CRR Auction Profits by Participant Type

The profits in (1) above broken out by participant type (e.g. load serving, generation, marketing or financial).

(3) CRR Auction Revenues divided by CRR Payouts to Auctioned CRRs

The total net revenues generated in the auction divided by the payments made to CRRs purchased in the auction, excluding converted ARRs.

(4) CRR Auction Revenues divided by CRR Payouts by Participant Type

The payout ratio calculated in (3) above broken out by participant type (e.g. load serving, generation, marketing or financial).

Market monitors have broken out metrics by participant type in the past, such as PJM and SPP's market monitors.[3] DMM currently uses the following participant types:

- Load serving entity

- Generation owner/operator

- Marketing/trading

- Financial (CRRs, virtual bidding)

While breaking out the data by market participant type requires some additional work and more judgement than reporting the data at an aggregate level, such a breakout would provide very valuable and important insight into the functioning of the CRR auctions.

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[3] Monitoring Analytics *2018 State of the Market Report for PJM* pp 642: http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2018/2018-som-pjm-sec13.pdf
SPP Market Monitoring Unit *State of the Market 2018* pp 20: https://www.spp.org/documents/59861/2018%20annual%20state%20of%20the%20market%20report.pdf

Participants purchasing CRRs can be categorized based on their primary or most prevalent activity in the market of the RTO/ISO. All RTOs/ISOs and their market monitors have access to data to perform such categorization of participants purchasing CRRs.

II. CONCLUSION

DMM respectfully requests that the Commission afford due consideration to these comments as it seeks develop standardized metrics to track the performance of RTO/ISO operations and markets and publicly report on those metrics.

Respectfully submitted,

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Independent Market Monitor for the California
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