

## DC Energy, Comments on Stakeholder Initiatives Catalog, December 5, 2014

Submitted by	Company	Date Submitted
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DC Energy appreciates the opportunity to provide comments on the California Independent System Operator (CAISO), November 21, 2014 Draft 2015 Stakeholder Initiatives Catalog, section 6 on Congestion Revenue Rights. DC Energy offers the following comments.

### **CRR Market Enhancements**

DC Energy believes structural improvements to the current CRR Auction framework would be an important step to facilitate market activity. Other ISOs such as PJM, MISO, and ERCOT have more robust auction structures, which provide longer-term auctions (beyond one year), more opportunities to acquire CRRs (balancing auctions), and the ability to offer existing holdings into subsequent auctions. There are numerous ways to achieve the features of an advanced auction structure; however, they all deliver the common benefits of increased liquidity and improved ability to contract forward. We note that the CAISO has given the implementation costs of these improvements a rank of 3 out of 10. On the face, restructuring the CAISO auction framework might seem like a momentous task; however, DC Energy posits that this is not necessarily the case. For example, ERCOT implemented vast improvements to its CRR market early in the third year of its nodal market for a total cost of approximately \$110,000. This was a small price to pay for the significant ongoing market benefits. DC Energy also contends that the market efficiency benefits of these improvements are greater than a 3, and requests CAISO explain its perception of the benefits and how the benefit score was derived. More generally, we urge the CAISO provide more transparency to their rankings and reconsider the benefits of the proposed CRR enhancements, which have been accruing in other ISO for years.

### **Outage Notification Requirements**

The current state of transmission outage transparency would greatly benefit from the CAISO posting outages to the market when they are received and flag them as pending until they are approved. Addressing the gap between submission and reporting would improve market participants' ability to value products and the situational awareness for resource owners that might be impacted by the outage. We urge the CAISO undertake these reporting adjustments. Further improvements would be for the CAISO to modify its rules for submission and reporting of significant planned transmission outages such that more outages are included in the CRR model build process and known when CRR investment decisions are made. Finally, the improved data capture associated with the SLIC replacement project should be made available to all CAISO market participants with a valid certificate—i.e., outages should be reported with appropriate, consistent, and mappable equipment names.