

Stakeholder Comments Template

Subject: CRR Enhancements – Draft Final Proposal on CRR Credit Issues, and Straw Proposal on Non-Credit Issues

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the following topics in regards to CRR Enhancements. Upon completion of this template please submit (in MS Word) to jprice@caiso.com. Submissions are requested by close of business on November 23, 2009.

Please submit your comments to the following questions for each topic in the spaces indicated.

Draft Final Proposal on CRR Credit Issues

1. CRR Credit Policy Enhancements

During the stakeholder conference call on November 16, 2009, the ISO described its Draft Final Proposal. So that the ISO can provide a tabulation of stakeholder positions on each of the following aspects of the ISO's proposal, please provide a brief statement of your position, such as "support", "oppose", "neutral", or similar statement:

- Calculation of maximum credit exposure of a CRR bid using the same MW value for the total credit requirement.

SUPPORT

- Reduce pre-auction credit requirement for a negatively-valued CRR bid, by excluding negative bid (but not the credit margin) in the calculation. (As described by the ISO, this involves using the auction winning value to meet the holding credit requirement for the CRR.)

SUPPORT

- Reduce the minimum credit requirement in the monthly CRR auction from \$500,000 to \$100,000.

NEUTRAL

Do you have any further comments regarding the proposed CRR credit policy enhancement?

We encourage CAISO to promptly consider the defaulted portfolio liquidation issue in order to avoid the situation where a participant defaults and a liquidation methodology is not in place.

Straw Proposal on Non-Credit Issues

During the stakeholder conference call on November 16, 2009, the ISO described its Straw Proposal concerning several non-credit CRR enhancements. Please refer to the ISO's Straw Proposal document at <http://www.caiso.com/2461/2461bbf935ca0.pdf>, and presentation at <http://www.caiso.com/2464/2464c5941a230.pdf>, to find details of the ISO's Straw Proposal.

2. Load Migration Process

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the process for adjusting CRR holdings to reflect load migration?

(Submit Comments Here)

3. Modeling and Treatment of Trading Hubs

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the method for handling trading hubs in the CRR release?

(Submit Comments Here)

4. Weighted Least Squares Objective Function

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the weighted least squares objective function?

(Submit Comments Here)

5. Multi-point CRRs

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the elimination of multi-point CRRs?

We support the elimination of the multi-point CRRs

6. Tiers in Monthly Allocation

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the refinement of tiers in monthly CRR allocation?

(Submit Comments Here)

7. Sale of CRRs in CRR Auctions

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the sale of CRRs in the CRR auction?

We support the addition of sale capacity to CRR auctions.

8. Modeling Approaches to Improve Revenue Adequacy

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the modeling to reinforce CRR revenue adequacy through transmission outage consideration?

(Submit Comments Here)

9. Tracking of Long Term CRRs

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the tracking of long-term CRRs in the CRR system?

(Submit Comments Here)

10. Signature Data in Priority Nomination Process

Do you have any comments, questions, concerns, or other ideas regarding the ISO's Straw Proposal concerning the process for "signature data" in PNP?

(Submit Comments Here)

11. Other Comments?

Many stakeholders have proposed CRR enhancements that the ISO has decided not to address in the near term. In order to facilitate the eventual vetting and potential implementation of these enhancements, we encourage the ISO to post a list of the enhancements that are under consideration for future discussion, and to set a timeline for the discussion of these enhancements.

Some enhancements that we would like to see in the future include:

- Balance of planning period auction, as discussed in our [previously submitted comments](#)
- One collateral pool across all seasons in an Annual CRR auction, which would obviate the need for specifying collateral by season and optimize collateral utilization.