

**Comments of Powerex Corp. on
Generator Contingency and RAS Modeling**

Submitted by	Company	Date Submitted
Mike Benn 604.891.6074	Powerex Corp.	December 2, 2016

Powerex appreciates the opportunity to submit comments on CAISO's November 7, 2016 Revised Issue Paper & Straw Proposal on Generator Contingency & RAS Modeling.

In the Revised Issue Paper & Straw Proposal, CAISO proposes to incorporate additional transmission system reliability considerations within the market, by updating the security constrained economic dispatch to: (1) model generation loss in the dispatch; and (2) model transmission loss, along with subsequent generation loss, due to Remedial Action Scheme ("RAS") operations in the dispatch. Under CAISO's proposal, these modeling changes will impact the congestion component of LMP, which will reflect the cost of positioning the system to account for generator contingencies and RAS operations.

Powerex generally supports CAISO's effort to ensure appropriate compensation for generators' participation in RAS operations. However, at this time, it is unclear what impact this proposal would have on Congestion Revenue Rights ("CRRs"). Powerex requests that the CAISO clarify the impact of its proposal on CRRs, with specific numerical examples. Powerex further requests that the CAISO provide information, through issuance of a technical appendix, on the type of modeling changes required to align the CRR model with the modeling changes discussed in the Revised Issue Paper & Straw Proposal. Powerex appreciates the CAISO taking further steps to clarify the impact of the proposed changes on the CRR model.