SCE Submitted Proposal for CRR Allocation[1]

Please find below a proposal for the CRR study. Please note that this is intended only as a proposal for this CRR study. In general, SCE believes non-ISO participants (with some very limited exceptions) are not entitled to CRR allocations. Instead, such participants should participate in the CRR auctions. Thus, this proposal should not be interpreted as SCE position on how this issue should ultimately be treated in the actual CRR allocation but is intended for use in this study only.

With that said, for the study we suggest limiting such CRR allocation requests to the historical fraction of actual usage to total possible rated usage of a line in each month, times 75% (for the annual allocation) or 25% (for the monthly allocation). This captures their typical usage over a month.

For example, suppose a party-serving load outside of the ISO wishes to request a CRR on a particular take-out point of the ISO. Assume that take-out point has a maximum line rating of 500MW. For the on-peak period, the total maximum monthly use of the line would be 500MW*16 on-peak hours per day*27 on-peak days in the month (assuming there are 27 peak days in that month). Thus the maximum monthly on-peak usage is 216,000MWh. Assume now that the actual historic usage of the line for the party in a given month was 32,000MWh. The party would be eligible to request (32,000/216,000)*500MW*75% = 55.6MW of on-peak CRRs for that line. For emphasis, this would be the MW limit of their CRR request. Depending of the nature of their request, they may not be awarded this full amount. The same process would be used for the off-peak allocation using off-peak actual usage compared to total possible off-peak usage.

Please contact me if you have any questions on this proposal. Thank you.

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[1] Please note this proposal addresses the specific issue of how to allocate CRRs to parties that are not part of the ISO but may "wheel-through" the ISO (e.g. SMUD). This proposal would not apply to LSE's serving load within the ISO, rather, the ISO's current load-duration methodology would apply.