

## Valley Electric Association Comments on CRR Auction Analysis Report

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Valley Electric Association (VEA) appreciates the opportunity to provide these comments on the ISO's CRR Auction Analysis Report posted on November 21, 2017. VEA participates in both the annual and monthly CRR allocations and auctions and has a strong interest in the current CRR market and consideration of any potential upcoming changes.

VEA appreciates the ISO staff's efforts; the analysis is in depth and clearly presented. It is encouraging to see the staff endeavor upon, and successfully conduct, the necessary deep analysis of the market such that the underlying causes of the auction revenue and CRR payment discrepancy could be identified - most notably the unpredictable congestion on various transmission elements that are not captured in the CRR model. With this detailed analysis, VEA stakeholder discussions should be able to focus on potential solutions. Issues identified in the analysis include deficiency in the transmission outage reporting, as well as a need to otherwise further align the transmission modeling between the CRR processes and the day-ahead model. Addressing the identified gaps and primary drivers seems to be a more logical and reasonable approach rather than immediately considering extreme changes such as eliminating the CRR auction all together.

VEA finds the CRR auction to be a critical market function through which we are able to reconfigure our CRR holdings to the extent the allocation process provided CRRs other than the rights needed. The ISO's CRR Auction Analysis Report recognizes that not all benefits of the CRR auction, such as the ability for LSEs to reconfigure allocated CRRs, are easily quantifiable and thus not explicitly included in the recent report. VEA asks the ISO and stakeholders to continue to recognize and acknowledge that these benefits exist and be taken into consideration throughout the forthcoming stakeholder process.

VEA is looking forward to continued robust discussions with the ISO and other stakeholders of this analysis and how it can be used to inform the upcoming stakeholder process. Thank you for your consideration of these comments.