

Comments of Boston Energy Trading and Marketing on CAISO's 2017 Final Policy Roadmap

Boston Energy Trading and Marketing ("Boston Energy") appreciates the opportunity to provide comments on the CAISO's 2017 final policy road map that was issued on December 16th. Boston Energy remains generally supportive of the ISO's stakeholder road map process, but urges the ISO to improve transparency on how the ISO determines the composite scores for the various market initiatives and how stakeholder comments are factored into the final roadmap decisions.

Real-Time Market Enhancements

As scheduling coordinator for traditional gas generation, renewables, and battery storage assets in California, Boston Energy strongly supports the ISO assigning this issue the highest priority in the 2017 roadmap process. One area Boston Energy encourages the ISO to consider including in the scope of this project is moving the co-optimization of energy and ancillary services into the 5-minute RDT optimization rather than the FMM market. Doing so will improve the price signals sent to fast ramping flexible resources that are willing to sell back any day-ahead ancillary service awards to provide valuable incremental and decremental energy during the solar ramps.

CRR Auction Efficiency

Boston Energy's reiterates comments submitted during the stakeholder process of opposing the proposal put forth by the DMM to eliminate the CRR auction. Congestion revenue right auctions are part of the FERC Standard Market Design (SMD) and should remain a part of the suite of products offered by the ISO to its stakeholders.

The CAISO noted during the December 22nd Draft Policy Roadmap meeting that the proposed CRR Auction Efficiency initiative would include an analysis of the potential drivers of market inefficiencies, which would then be used to determine the scope of the initiative. Boston Energy urges the ISO to work with all stakeholders to define the scope of this initiative in a transparent manner. There are many perspectives on the state of the CRR market and the CAISO should consider all aspects of its design and interaction with the CAISO's sequential markets when analyzing its performance.

If you have any questions please let me know.

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