

Comments regarding the California ISO “2012 Congestion Revenue Rights Tariff Clarifications” proposal

Customized Energy Solutions appreciates the opportunity to submit comments on the California ISO’s proposed Tariff changes, as described in the revised draft proposal of its “2012 Congestion Revenue Rights Tariff Clarifications” issued on May 18, 2012.

We believe the proposed Tariff language is considerably more accurate and clear than the current version.

After reviewing the proposed language that describes the calculation of nomination eligibility for the Priority Nomination Process (PNP), we believe it could be further improved by explicitly stating that CRRs from the load migration processes associated with the previous year are added to the allocated CRRs when calculating the Sink Upper Bound (SUB). The SUB calculation is described under numeral (2) of the proposed language for section 36.8.3.5.1:

In all annual CRR Allocations after CRR Year One, an LSE or a Qualified OBAALSE may make PNP nominations up to the lesser of: (1) its Seasonal CRR Eligible Quantity multiplied by two-thirds, minus the quantity of Long Term CRRs for each season, time of use period and CRR Sink for that year and minus the net MW amount of load migration CRRs valid for each season, time of use period and CRR sink; or, (2) the total quantity of Seasonal CRRs allocated to that LSE in the previous annual CRR Allocation, minus the quantity of Long Term CRRs allocated in the immediately preceding Seasonal CRR Allocation for each season, time of use period and CRR Sink, and minus the net MW amount of load migration CRRs valid for each season, time of use period and CRR sink.

For illustrative purposes, below we show how we understand the SUB for 2013 will be calculated for each CRR sink, time of use, and season:



Looking at the correspondence between each of these terms and the Tariff language and the calculation described above, we find that the term associated with last year’s load migration CRRs is missing:

	Term	Tariff language
	Allocated CRRs from 2012	<i>the total quantity of Seasonal CRRs allocated to that LSE in the previous annual CRR Allocation,</i>
plus	Annual load migration CRRs from 2012	
minus	Long term CRRs for 2013, allocated in 2012	<i>minus the quantity of Long Term CRRs allocated in the immediately preceding Seasonal CRR Allocation for each season, time of use period and CRR Sink</i>
minus	Load migration CRRs for 2013	<i>and minus the net MW amount of load migration CRRs valid for each season, time of use period and CRR sink</i>

We propose the addition of language explicitly describing the missing term. An example is offered below:

In all annual CRR Allocations after CRR Year One, an LSE or a Qualified OBAALSE may make PNP nominations up to the lesser of: (1) its Seasonal CRR Eligible Quantity multiplied by two-thirds, minus the quantity of Long Term CRRs for each season, time of use period and CRR Sink for that year and minus the net

MW amount of load migration CRRs valid for each season, time of use period and CRR sink; or, (2) the total quantity of Seasonal CRRs allocated to that LSE in the previous annual CRR Allocation, plus the net quantity of load migration CRRs associated with the immediately preceding Seasonal CRR Allocation for the corresponding season, time of use and CRR sink, minus the quantity of Long Term CRRs allocated in the immediately preceding Seasonal CRR Allocation for each season, time of use period and CRR Sink, and minus the net MW amount of load migration CRRs valid for each season, time of use period and CRR sink.

Again, Customized Energy Solutions appreciates the opportunity to share our thoughts with the California ISO as they work to improve the clarity and accuracy of their Tariff language. Please feel free to contact us if any clarification or additional detail is needed.

Thank you.

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