

11.2.4.6 Adjustment of CRR Revenue Related to Virtual Awards

In accordance with this Section 11.2.4.6, the CAISO will adjust the revenue from the CRRs of a CRR Holder that is also a Convergence Bidding Entity whenever either of the following creates a significant impact on the value of the CRRs held by that entity: the CRR Holder/Convergence Bidding Entity submits Virtual Bids; or the CRR Holder/Convergence Bidding Entity reduces in the RTM an import or export awarded in a Day-Ahead Schedule. As set forth in Section 11.32, the CAISO will also adjust the revenue from the CRRs of a CRR Holder (regardless of whether the CRR Holder is also a Convergence Bidding Entity) where the Scheduling Coordinator representing that CRR Holder reduces in the RTM an import or export awarded in a Day-Ahead Schedule.

- (a) For purposes of this Section 11.2.4.6 and the definition of Flow Impact, ~~any~~ reduction by a Scheduling Coordinator submitting Schedules on behalf of an entity that is a CRR Holder to an import or export Schedule in the RTM will be treated as a Virtual Award if the segment of the Bid leading to the Schedule reduction is: at a price greater than the Day-Ahead Market LMP at the relevant intertie, in the case of an import; or at a price less than the Day-Ahead Market LMP at the relevant intertie, in the case of an export. In addition, if the RTM Bid does not include the full MW quantity of the Day-Ahead Schedule, then the MW range not covered by the RTM bid that was included in the Day-Ahead Schedule will be treated as Virtual Award.
- ~~For each CRR Holder subject to this Section 11.2.4.6, for each hour, and for each Transmission Constraint binding in the IFM or FMM the CAISO will calculate the Flow Impact of the Virtual Awards awarded to the Scheduling Coordinator that represents the CRR Holder, ~~excluding Virtual Awards at LAPs and generation Trading Hubs.~~ For the purposes of calculating the CRR adjustments as specified in this Section 11.2.4.6.4, the CAISO will include nodal MW constraints that the CAISO applies to Eligible PNodes in the IFM pursuant to Section 30.10.~~
- (b) The CAISO will determine the peak and off-peak hours of the day in which

Congestion on the Transmission Constraint was significantly impacted by the Virtual Awards awarded to the Scheduling Coordinator that represents the CRR Holder. Congestion on the Transmission Constraint will be deemed to have been significantly impacted by the Virtual Awards awarded to the Scheduling Coordinator that represents the CRR Holder if the Flow Impact passes two criteria. First, the Flow Impact must be in the direction to increase the value of the CRR Holder's CRR portfolio. Second, the Flow Impact must exceed the threshold percentage of the flow limit for the Transmission Constraint. The threshold percentage is ten (10) percent of the flow limit for each Transmission Constraint.

- (c) For each peak or off-peak hour that passes both criteria in Section 11.2.4.6(b), the CAISO will compare the Transmission Constraint's impact on the Day-Ahead Market value of the CRR Holder's CRR portfolio with the Transmission Constraint's impact on the FMM value of the CRR Holder's CRR portfolio, as applicable.
- (d) The CAISO will adjust the peak or off-peak period revenue from the CRR Holder's CRRs in the event that, over the peak or off-peak period of a day, the Transmission Constraint's contribution to the Day-Ahead Market value of the CRR Holder's CRR portfolio exceeds the Transmission Constraint's contribution to the FMM value of the CRR Holder's CRR portfolio, as applicable. The amount of the peak period adjustment will be the amount by which the Transmission Constraint's contribution to the Day-Ahead Market value of the CRR Holder's CRR portfolio exceeds the Transmission Constraint's contribution to the FMM value of the CRR Holder's CRR portfolio for the peak-period hours that passed both criteria in Section 11.2.4.6(b), as applicable. The amount of the off-peak period adjustment will be the amount by which the Transmission Constraint's contribution to the Day-Ahead Market value of the CRR Holder's CRR portfolio exceeds the Transmission Constraint's contribution to the FMM

value of the CRR Holder's CRR portfolio for the off-peak period hours that passed both criteria in Section 11.2.4.6(b), as applicable.

All adjustments of CRR revenue calculated pursuant to this Section 11.2.4.6 will be added to the CRR Balancing Account.

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11.32 Measures to Address Intertie Scheduling Practices

The CAISO will take the following actions regarding Schedules that clear the Day-Ahead Market at the Interties and that are wholly or partially reversed through a FMM Schedule:

- (i) The CAISO will charge the Scheduling Coordinator the positive difference between the Day-Ahead Market price and the FMM LMP applicable to any imports that clear the Day-Ahead Market and are reduced through a Bid to the RTM if the Scheduling Coordinator either: (a) fails to submit an E-Tag or E-Tags consistent with the Scheduling Coordinator's Day-Ahead Schedule and WECC scheduling criteria; or (b) withdraws the E-Tag or E-Tags prior to forty-five (45) minutes before the Trading Hour.
- (ii) The CAISO will charge the Scheduling Coordinator the positive difference between the FMM LMP and the Day-Ahead Market LMP applicable to any exports that clear the Day-Ahead Market and are reduced through a Bid to the RTM if the Scheduling Coordinator either: (a) fails to submit an E-Tag or E-Tags consistent with the Scheduling Coordinator's Day-Ahead Schedule and WECC scheduling criteria; or (b) withdraws the E-Tag or E-Tags prior to forty-five (45) minutes before the Trading Hour.
- (iii) ~~If a~~ ~~The CAISO will treat any reduction by a~~ Scheduling Coordinator ~~reduces to a~~ Day-Ahead import or export Schedule through a Bid to the RTM and submits Schedules on behalf of, or is, a CRR Holder, then the reduction to the import or export may be treated as as a Virtual Award for purposes of adjusting CRR Revenue as further set forth in Section 11.2.4.6. ~~pursuant to Section 11.2.4.6 if the Scheduling Coordinator submits Schedules on behalf of or is a CRR Holder.~~

- (iv) For any import Schedule that clears the Day-Ahead Market which a Scheduling Coordinator reduces through a Bid to the RTM, such reduced quantities will be subject to the allocation of Net RTM Bid Cost Uplift as set forth in Section 11.8.6.6.
- (v) The provisions of this Section 11.32 will not apply to Schedules that clear the Day-Ahead Market at the Scheduling Points and that a Scheduling Coordinator wholly or partially reverses through a Bid to the RTM to the extent such Schedules are valid and balanced ETC, TOR, or Converted Rights Self-Schedules in the Day-Ahead Market.