

Initiative	7.4 Long Term CRR Auction Sub-initiative 1: multiple rounds for a given annual auction		
	Criteria	Score	Rationale
	Grid reliability	3	Better hedge achieved over multiple rounds allows generators to offer energy without the reservations about possible congestion impact on their bottom line
Benefits	Improving overall market efficiency	10	A. Better price discovery in multiple rounds as opposed to a single round. B. The outcome of the previous round may help a MP in its bidding in the next rounds. Learning process from round to round for MPs. C. Risk mitigation for CAISO: if something goes wrong in one round, the potential damage is limited to that round.
	Desired by stakeholders	10	From the 2013 Stakeholder Initiatives Catalog: "The ISO's January 29, 2007 compliance filing on long term CRRs noted that several parties wanted the ISO to implement an auction process for long term CRRs, which the ISO agreed to consider for a future release. FERC's July 6, 2007 Order on CRRs encouraged the ISO to initiate a stakeholder process and file tariff language to implement an auction for residual long term CRRs in a future release of the new market."
Feasibility	Market Participant Implementation Impact (\$ and resources)	10	Very little impact impact: a given market participant may choose to participate in only the the first round (in this case it would be doing what it is doing today) or participate in any additional rounds with the same bids as in the first round to try and purchase the balance of what it needs
	ISO Implementation Impact (\$ and resources)	7	Very few adjustments are required: just split the capacity between the rounds and keep track of what has been bought and sold

Initiative	7.4 Long Term CRR Auction Sub-initiative 2: rolling long-term auction where future periods such as future months, quarters, half-a-year strips, or years can be traded multiple times.		
	Criteria	Score	Rationale
	Grid reliability	3	Better hedge achieved over multiple rounds allows market participants to contract for longer term
Benefits	Improving overall market efficiency	10	A. Better price discovery over longer time horizon and at multiple times. B. The outcome of the previous sequence may help a MP in its bidding in the next sequences. C. Allows to maintain a smooth rolling hedging position over a long-term
	Desired by stakeholders	10	From the 2013 Stakeholder Initiatives Catalog: "The ISO's January 29, 2007 compliance filing on long term CRRs noted that several parties wanted the ISO to implement an auction process for long term CRRs, which the ISO agreed to consider for a future release. FERC's July 6, 2007 Order on CRRs encouraged the ISO to initiate a stakeholder process and file tariff language to implement an auction for residual long term CRRs in a future release of the new market."
Feasibility	Market Participant Implementation Impact (\$ and resources)	7	Very little impact impact: a given market participant may choose to participate in the auctions they see fit
	ISO Implementation Impact (\$ and resources)	7	CAISO CRR group needs to think through the maintenance of inventory

Initiative	8.3 Implement Point-to-Point (PTP) Convergence Bids		
	Criteria	Score	Rationale
	Grid reliability	3	Better DAM results, converging DAM constraints to RTM constraints, thus better constraint management
Benefits	Improving overall market efficiency	10	A. Better convergence of DAM to RTM as it allows PTPs to be aligned with constraints and thus converge shadow price in DAM to shadow prices in RTM. Constraints are linear instruments and are better served with linear Convergence Bids (CBs), i.e. PTPs, as opposed to virtual transactions (VTs) that may achieve only point by point convergence but not constraint by constraint convergence. B. Better risk management for Market Participants (MPs) as they do not have to submit price taking pair of virtual supply (VS) and virtual demand (VD), when bidding on constraints, and thus unwillingly expose themselves to unrealistic levels of DAM shadow prices that are unlikely to materialize in RTM. There is also no risk of exposure to system energy price due to asymmetric clearing, which is always present when bidding a pair of VS and VD. In PTP CB its source and sink always clear together.
	Desired by stakeholders	10	No reason to see, why such instrument with multiple upsides and no downside would not be welcome by MPs
Feasibility	Market Participant Implementation Impact (\$ and resources)	10	Very little impact impact: a given market participant may choose to participate in the PTP bidding as they see fit
	ISO Implementation Impact (\$ and resources)	7	Since CAISO already has wheeling transactions implemented in its clearing system, it seems to be a matter of extending those to include internal CB locations to enable PTP CBs to clear alongside VS and VD system-wide. Other markets, such as PJM and ERCOT, have successfully implemented PTP bids (aka "Up-to-congestion bids") and MISO is implementing such PTP bids.

Initiative	8.1 Allowing Convergence Bidding at CRR Sub-LAPs		
	Criteria	Score	Rationale
	Grid reliability	3	Better convergence of DAM and RTM on a sub-LAP level
Benefits	Improving overall market efficiency	10	Sometimes CBs can cause divergence, especially if put on locations with small MWs. Sub-LAP bidding will alleviate those instances when sub-LAP would be a good proxy for bidding a cluster of nodes.
	Desired by stakeholders	10	No reason to see, why such instrument with multiple upsides and no downside would not be welcome by MPs
Feasibility	Market Participant Implementation Impact (\$ and resources)	10	Very little impact impact: a given market participant may choose to participate in the sub-LAP bidding they see fit
	ISO Implementation Impact (\$ and resources)	7	Since CAISO already has already implemented DLAP and Trading Hub bidding in its clearing system, it seems to be a matter of extending those to include CBs on sub-LAPs

Initiative 7.6 Outage Notification Requirements

	Criteria	Score	Rationale
	Grid reliability	0	
Benefits	Improving overall market efficiency	10	Will allow market participants to plan accordingly for the future
	Desired by stakeholders	10	No reason to see, why such information with multiple upsides and no downside would not be welcome by MPs
Feasibility	Market Participant Implementation Impact (\$ and resources)	10	No impact on Market Participants, just more outage information available
	ISO Implementation Impact (\$ and resources)	7	Since CAISO already has already implemented some outage data release, it seems to be a matter of extending that information to include events beyond the current reporting horizon