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Comments of Northern California Power Agency Two-Tier Allocation of Real-Time Bid Cost Recovery Uplift Issue Paper

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Northern California Power Agency (NCPA) appreciates the opportunity to provide the following comments in response to the CAISO's Two-Tier Allocation of Real-Time Bid Cost Recovery Uplift dated November 24, 2015.

Allocation of Real-Time Bid Cost Recovery Uplift

Pursuant to Section 6 of the CAISO's Two-Tier Allocation of Real-Time Bid Cost Recovery Uplift Issue Paper, the CAISO requested stakeholder input regarding the following items:

- *The merit of the previous proposals for two-tier allocation of real-time BCR uplift included in the appendix of the issue paper*

NCPA Response: NCPA supports maintaining the current methodology for allocating real-time bid cost recovery uplift costs based on measured demand.

- *Alternatives to allocation of real-time BCR uplift, including maintaining the current allocation of real-time BCR uplift to measured demand*

NCPA Response: NCPA supports maintaining the current allocation of real-time bid cost recovery uplift costs to measured demand.

- *Additional consideration, if any, for determining the appropriate method to allocate real-time market BCR*

NCPA Response: While NCPA supports maintaining the current allocation of real-time bid cost recovery uplift costs to measured demand, of the two (2) options provided in the appendix of the issue paper, NCPA believes that the second option offered, where real-time bid cost recovery uplift costs would be allocated to each Scheduling Coordinator based on its net portfolio uninstructed deviations in the real-time market plus virtual supply clearing in the IFM, would be more appropriate.

- *The scope of additional market data analyses that would be appropriate to assess the benefits of a two-tier allocation of real-time market BCR*

NCPA Response: No comment at this time.