

Comments of Pacific Gas and Electric Company

Subject: 2011 CRR Enhancements

Submitted by	Company	Date Submitted
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PG&E appreciates the opportunity to provide comments on the draft tariff language associated with the 2011 CRR Enhancements¹.

PG&E has the following comments regarding draft tariff language.

In Section 36.4, CAISO proposes to add the following language to implement the OTC breakeven methodology, “and (iv) the expected impact of transmission Outages or derates that are not scheduled at the time the CAISO conducts the Seasonal CRR Allocation.”

PG&E believes the use of the word “expected” gives the misleading impression of a forward looking assessment of transmission outages or derates. This is not the case with the OTC breakeven methodology. The OTC methodology is explicitly defined to evaluate a historical period for outages and derates and then calculates a breakeven OTC value based on this historical period. This calculated value is then applied to a specific interties and scheduling point in the Seasonal or Annual process.

PG&E proposes the following language to replace the aforementioned passage.

and (iv) the impact of historical transmission Outages or derates (as a proxy for transmission Outages or derates that are not scheduled at the time the CAISO conducts the Seasonal CRR Allocation or Auction) which is a part of the “OTC breakeven methodology” defined in the CRR Business Practice Manual.

PG&E’s proposed passage accomplishes two important goals. First, it memorializes the use of historical data in the “OTC breakeven methodology.” PG&E believes the use of historical data is the key component of the proposal. Referencing it in the tariff will insure that a significant hurdle will have been met before changing this aspect of the methodology.

¹ Draft Tariff Language CRR Amendment, <http://www.caiso.com/2b91/2b91dea54910.doc> (June 2, 2011)

The second goal which is accomplished is that referencing the “OTC breakeven methodology” and the CRR Business Practice Manual (BPM) results in this tariff provision being explicitly associated with a specific methodology which is then defined in the CRR BPM. This allows the methodology to be revised in the BPM Change Management process except for the use of historical data.

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For follow-up or questions, please contact Dan Sparks (415-973-4130) or wds6@pge.com.