

Pacific Gas and Electric Company Stakeholder Comments

Submitted By	Company	Date Submitted
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PG&E appreciates the opportunity to comment on the CAISO's 2017 Policy Roadmap ("Policy Roadmap"), published December 15, 2016.

Consistent with previous comments, PG&E is eager for the CAISO to address congestion revenue rights ("CRR") revenue inadequacy and is encouraged by the inclusion of the CRR Auction Efficiency initiative in CAISO's 2017 Policy Roadmap. In line with the DMM's recommendation to assess the value of the CRR auction platform, PG&E hopes this initiative will provide an opportunity to consider and evaluate alternative solutions to CRR revenue inadequacy.

As PG&E understands the proposal in the Auction Efficiency Initiative, the CAISO would only sell a CRR in an auction if another party offered to sell the CRR. Transmission capacity that was not allocated in the CRR allocation process would not be available for sale in the auction. If congestion revenues were insufficient to pay the CRRs purchased in the action, the parties who sold the CRRs would be responsible for making up the shortfall, not the load.

This could address insufficient congestion revenue to pay CRR holders. However, not making unallocated transmission capacity available in the auction could prevent reconfiguring CRRs offered into the auction to allow the auction to sell CRRs that other parties bid to buy. Because of this, PG&E would request that the CAISO investigate the potential for congestion rents to fall short of the payments due to CRRs and other methods to handle the shortfall such as the previous method that the DMM outlined to allocate the shortfall to CRR holders.

PG&E recognizes that stakeholder desire for a variety of discretionary initiatives often exceeds CAISO's limited resources. Of the eight discretionary initiatives ranked in the Policy Roadmap high level prioritization, CAISO proposes to undertake four in 2017. PG&E supports the CAISO's practical determination that the remaining four initiatives not be addressed in 2017.