

June 27, 2016

CAISO Board of Governors  
CALIFORNIA ISO  
P.O. BOX 639014  
FOLSOM, CA  
95763-9014

**RE: PROPOSED MODIFICATIONS TO THE CRR CLAWBACK RULE**

Dear Board of Governors,

Powerex appreciates the opportunity to express its support for the pending proposal on modifications to the Congestion Revenue Rights (“CRR”) Clawback Rule. Powerex supports both the substance of the CRR Clawback modification proposal and the CAISO stakeholder process through which the proposal was developed.

In particular, Powerex strongly supports CAISO’s proposal to modify its tariff to permit day-ahead intertie awards to be re-bid in the real-time market at a price equal to, or more economic than, the day-ahead price without triggering application of the CRR Clawback Rule. As Powerex explained in its comments in the recently-concluded stakeholder proceeding, Powerex believes that CAISO’s proposal will significantly improve the CRR Clawback Rule and mitigate the potential for the rule to act as a powerful disincentive for physical real-time market participation at the interties. Powerex is optimistic that adopting CAISO’s proposed change will improve real-time physical intertie liquidity, in particular with respect to mitigating oversupply challenges. This increase in real-time flexibility can be expected to improve market efficiency and assist in the integration of renewable resources.

In order to ensure the timely elimination of existing impediments to intertie resources, Powerex urges the Board to approve CAISO’s proposed revisions. Powerex also encourages CAISO to take steps to implement its proposed changes as soon as possible.

Powerex wishes to extend its sincere appreciation to the CAISO staff involved in this initiative, and looks forward to continued engagement with CAISO as it works to continue to improve its markets.

Sincerely,



Mike MacDougall  
Director, Trade Policy & IT

