

SVP Comments on 2017 Policy Initiatives Roadmap Development

Submitted by	Company	Date Submitted
Ken Kohtz: 408-615-6676	City of Santa Clara, dba Silicon Valley Power (SVP)	November 17, 2016

In response to the CAISO’s request, Silicon Valley Power (SVP) submits the following comments on the CAISO’s revised 2017 Stakeholder Initiatives Catalog posted on November 4, 2016 (the “2017 Catalog”) and the stakeholder call held on November 3, 2016. Per the CAISO’s instructions, these comments are restricted to SVP’s opinions on the CAISO’s high level ranking for initiatives.

SVP **supports** many of the CAISO’s proposed rankings for the discretionary initiatives, however, SVP urges the CAISO to reconsider the scoring in some instances. One such example is the Congestion Revenue Rights (CRR) Auction Efficiency initiative. Currently, under the “feasibility” prioritization criteria, the CRR Auction Efficiency initiative has been identified as a minimal impact initiative both from the market participant implementation impact and the CAISO implementation impact standpoints. The CRR Auction Efficiency initiative would require no changes to the CAISO tariff and minimal changes to the CRR Business Practice Manual to eliminate the set asides of transmission capacity from the allocation process for the Auction Process. Similarly, there would be no implementation costs for market participants, since the increased transmission capacity would be incorporated into the allocation process. On the other hand, we expect that several other candidate discretionary initiatives are likely to be more resource intensive for both the CAISO and market participants. Two of these other initiatives include Regional Multi-Year RA¹ and Export Charges², but each has been assigned the same feasibility score as the CRR Auction Efficiency initiative. The former (Regional Multi-Year RA) initiative will likely require changes to the CAISO tariff and a considerable coordination with the CPUC, whereas the latter (Export Charges) initiative will likely require non-trivial process and software changes for both the CAISO and market participants. We suggest that the CRR Auction Efficiency initiative should be assigned a score of 10 points each for both of the feasibility criteria instead of the currently assigned 7 points.

¹ This initiative would work in tandem with the California Public Utility Commission’s (CPUC) Multi-Year RA proceeding with the intent on expanding any CPUC-jurisdictional program to all CAISO participants.

² This initiative would address real-time inertia liquidity, and potentially the quantity of export bids in the day-ahead market, by exempting real-time exports, and potentially day-ahead market exports, from transmission access and measured demand uplift charges