

Stakeholder Comments on the Congestion Revenue Rights 2011 Enhancements Draft Tariff Language

Submitted by	Company	Date Submitted
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Silicon Valley Power (SVP) appreciates the opportunity to provide comments in response to the *Congestion Revenue Rights (CRR) 2011 Enhancements draft tariff language* posted by the CAISO on June 2, 2011.

Section 36.4 FNM For CRR Allocation And CRR Auction (Pages 4 & 5): SVP suggests that the CAISO should explicitly set forth in the tariff the OTC breakeven methodology it proposes to apply using historical data to calculate “the expected impact of transmission Outages or derates that are not scheduled at the time the CAISO conducts the Seasonal CRR Allocation” in determining the Seasonal Available CRR Capacity. The CAISO should further state that the OTC breakeven methodology would be described in the CRR Business Practice Manual (BPM). In particular, we suggest the following language.

“(iv) the expected impact of transmission Outages or derates that are not scheduled at the time the CAISO conducts the Seasonal CRR Allocation, *which is a part of the OTC breakeven methodology discussed in the CRR Business Practice Manual.*”

We request that the main steps involved in the development of the OTC breakeven methodology should be mentioned in the main text of the CRR BPM and the detailed underlying analysis be included as an attachment to the BPM.

Section 36.8.3.5.1 Tier 1 – Priority Nomination Process (Page 6): In criterion (1) and criterion (2) applied to calculate the PNP upper bound, the CAISO’s proposed draft language changes the treatment of the Long Term CRRs from “previously allocated” to “allocated in the immediately preceding Seasonal CRR Allocation”. However, in the CAISO Draft Final Proposal on the 2011 CRR Enhancements dated May 13th, the CAISO stated that it “proposes to clarify the language that it will only include incremental long term CRRs awarded in the previous year’s long term allocation process in criteria (1).” In other words, the CAISO gave an impression that it would make the tariff language change to the criterion (1) only and not to both criteria. What is the reasoning behind the current approach to have the additional language in both criteria?