

Valley Electric Association Comments on the CRR Auction Efficiency Analysis Working Group

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January 12, 2018

Valley Electric Association (VEA) appreciates the opportunity to provide these comments on the ISO's CRR Auction Efficiency Analysis working group held December 19, 2017. VEA participates in both the annual and monthly CRR allocations and auctions and has a strong interest in the current CRR market and consideration of any potential upcoming changes. VEA, even as an LSE, finds the CRR auction to be a critical market function through which we are able to reconfigure our CRR holdings to the extent the allocation process provided CRRs other than the rights needed.

VEA appreciates the robust discussion that took place at the December 19, 2017 working group and again, commends the ISO staff on its efforts thus far. As reflected in VEA's comments submitted on the analysis report itself, the results clearly identified efficiency improvement opportunities - most notably further aligning the day-ahead and CRR models by improving outage reporting practices, processing, and modeling of constraints in the CRR model. VEA appreciates, and supports, the ISO taking near term steps to address some of the identified opportunities as this seems to be a more logical and reasonable approach rather than immediately considering extreme changes such as eliminating the CRR auction all together. Of the potential solutions included in the ISO's proposed solution space, VEA does not support any solutions that would further limit participation or reduce the functionality of the CRR auction as those will have a significant adverse impact on the benefits currently provided by the CRR auction. VEA believes by addressing the identified issues and gaps, revenue inadequacy and DMM's concern regarding losses to ratepayers will be drastically improved, rendering radical changes unnecessary.

VEA is looking forward to continued robust discussions with the ISO regarding ways to improve the CRR auction efficiency. Thank you for your consideration of these comments.