



Congestion Revenue Rights Exchange Agreement – Transmission Agency of Northern California (TANC)

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Background

- In 2013, CAISO entered into an agreement with Pacificorp to enable PacifiCorp and its customers to elect to receive “option” congestion revenue rights (CRRs) in exchange for making its ownership rights on the Pacific AC Intertie (PACI) available for market use
- In response, TANC requested that the CAISO make the exchange of transmission capacity for “option” CRRs available to other transmission ownership rights holders
- The CAISO committed to developing a process for enabling others to have the opportunity to exchange transmission capacity for “option” CRRs

Background

- In October 2019, TANC and ISO completed negotiations to enable TANC the ability to elect to receive “option” CRRs in exchange for making a portion of its ownership rights on the California-Oregon Transmission Project (COTP) available for market use
- The resulting agreement is substantively the same as the amendment to the PacifiCorp agreement with the only difference being the voluntary nature and the amount of capacity released is only on a month by month basis
- This TANC agreement will increase market efficiency

Summary of CRR Exchange Agreement - TANC

- At least 30 days prior to CRR Auction period, TANC may instruct CAISO to release some quantity of COTP capacity only for the next month
- Amount of COTP transmission capacity converted will not be available under TANC Open Access Transmission Tariff
- Option CRRs will be allocated to TANC and valued based on source at Captain Jack 500kV and sink at Tracy 500kV or source at Tracy 500kV and sink at Captain Jack 500kV depending on direction of the CRR
- The CAISO will make all of the TANC converted capacity available to all Market Participants in accordance with CAISO Tariff
- COI derates will be treated consistent with operation of the COI and the quantity of CRRs paid will be adjusted accordingly

Next Steps

- October 31, 2019 – Hold stakeholder conference call
- November 2019 – File agreement with FERC
- February 1, 2020 – Requested agreement effective date