

Comments of Boston Energy Trading and Marketing on CAISO's 2017 Stakeholder Catalog Process

Boston Energy Trading and Marketing ("Boston Energy") appreciates the opportunity to provide comments on the Draft 2017 Stakeholder Initiatives Catalog.

CRR Auction Efficiency

Boston Energy's comments below in no way indicate support for the scope of this project. Congestion revenue right auctions are part of the FERC Standard Market Design (SMD) and should remain a part of the suite of products offered by the ISO to its stakeholders. Rather than a scope that seeks to deviate from the Standard Market Design that is implemented in every other ISO, stakeholder efforts would be better spent focused on ways to increase participation by improving transparency and addressing any participation barriers that may exist.

Boston Energy supports the comments submitted by the Western Power Trading Forum on this initiative. Like WPTF, Boston Energy doesn't agree with the ISO assigning a score of 7 for stakeholder desirability and market efficiency. The initiative is not desired by a large subset of stakeholders and therefore should have a score no higher than a 3.

With respect to market efficiency improvements, Boston Energy believes this initiative should have a score of 0. There is nothing in this initiative that will improve market efficiency; in fact it may hurt market efficiency in some ways. Furthermore, to say this initiative has the same market efficiency benefits as the Real-Time Market Improvements project and a higher market efficient benefit score than improvements to the Risk of Retirement process just doesn't make any sense.

Lastly, Boston Energy doesn't agree with the ISO assigning a score of 7 to MP implementation costs. Market Participants have spent many millions of dollars developing processes and systems to participate in congestion revenue right auctions. If the ISO moved ahead with the scope as currently drafted market participants would need to start from scratch again and develop new processes and systems specifically for CAISO market participation. Such costs in terms of human resources, systems, and models are far greater than what is depicted by the ISO with a score of 7. MP implementation costs should be scored no higher than a 3.

If you have any questions please let me know.

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