

DC Energy comments originally received in email format from Sadao Milberg

Regarding the interest rate question, DC Energy believes the FERC interest rate would be the appropriate rate to use; however, we understand the revenue neutrality concerns and would not strongly oppose the use of the CAISO earned interest rate.

Regarding the FTRs, DC Energy would recommend that CAISO use an auction, even if a simplified version thereof, for the entire available branchgroup capacity. This would result in a more efficient pricing solution for a valuable product. The FTR renewal option, which could potentially be quite valuable yet is only available to a subset of potential participants, is a discriminatory policy. DC Energy respectfully requests that such policy not be supported by CAISO given the FERC would likely consider it unjust and unreasonable. We understand the CAISO's concerns about desiring a solid basis for the FTR allocation, but we believe the concerns about equity and market efficiency are more pressing, and we also believe the result of a simplified auction would be just a solid, or more so, than an allocation based on a past year.

Best regards,

Sadao Milberg.
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