

DC Energy, Comments on Policy Initiatives Catalog

Submitted by	Company	Date Submitted
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DC Energy appreciates the opportunity to provide comments on the California Independent System Operator (CAISO), 2017 Policy Initiatives Catalog initiative. DC Energy requests the CAISO add the following items to the Congestion Revenue Rights section of the catalog.

Transmission constraint transparency

In late December of 2017, the 23040_CROSSTRIP constraint was enforced for the first time. The introduction of the constraint led to significant CRR revenue inadequacy since it was not modeled in CRR Auctions until February 2017. For the period of December 2017- January 2017 the un-modeled 23040_CROSSTRIP nomogram constraint led to over \$7.5 million in CRR revenue inadequacy, which represented over 25% of the total CRR revenue inadequacy for the period.¹ This event prompted DC Energy to review the cause of CRR revenue inadequacy for the period June 2016 through March 2017 and we **discovered that over 70% of all CRR revenue inadequacy can be attributed to non-modeled transmission outages or non-modeled nomograms.**² This over 70% contribution could have been readily mitigated by the CAISO and Transmission Owners revising their practices to ensure transmission outages and constraints involving significant elements are modeled in the CRR Auction. This serious deficiency represents an ongoing CRR revenue inadequacy risk to load serving entities. CRR revenue inadequacy has received significant attention in the CRR Auction Efficiency initiative and changes to correct the issue should be instituted expeditiously to protect the market from further revenue inadequacy. Accordingly, DC Energy submits the following item for immediate implementation:

- (i) Advanced notification of changes to congestion management (i.e., newly monitored constraints/changes to constraint definitions/weightings/limits, including nomograms, branch groups, and standard branch constraints)
- (ii) Require entities to submit transmission outages on Significant Facilities with sufficient advance notice for their inclusion to the CRR market model
- (iii) Expand the definition of Significant Facilities to include 100kV elements

According to the Outage Management Business Practice Manual³, the Significant Facilities, include the following Transmission facilities:

¹ Web location: <http://www.caiso.com/Documents/MarketPerformanceReportforDec2016.pdf>;

Web location: <http://www.caiso.com/Documents/MarketPerformanceReportforjan2017.pdf>

² The report for July 2016 was not included since it was not posted with the other monthly reports

³ Web location: <http://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Outage%20Management>

1. rated above 200 kV (except for CAISO-approved exceptions), or
2. that are part of any defined flow limit as described in a CAISO operating procedure (except for CAISO-approved exceptions), or that were out of service in the last three years and for which the CAISO determined a special flow limit was needed for real-time operation.

We would note the path limiting equipment (i.e. second prong Significant Facilities list) is not transparent to the market whereas the kV level threshold is straightforward and understood. We request that the CAISO make the path limiting Significant Facilities list available to all Market Participants by posting it to the Market Participant Portal. The reports include: 3210B PG&E Equipment Significant to CRRs, 3210C SCE Equipment Significant to CRRs, and 3210D SDG&E Equipment Significant to CRRs, as defined in the CAISO operating procedure 3210⁴. This would enable market participants to fully understand which transmission elements are subject to the “30-day rule” and track how well it is adhered to.

Lastly, DC Energy believes greater constraint transparency would improve market participant’s ability to understand and manage their locational market risk. Our request is for the CAISO to post the following information to the Market Participant Portal:

(ii) Transparency into operational procedures related to congestion management (which are currently not public) --e.g., definitions, drivers, study results, and operating actions related to major constraints (again, Crosstrip, but other examples include "T-135" constraints, etc.)

We view all of our requests in these comments (i.e. advanced notification of constraints and outages and general transparency) as companions and believe the information for the latter is readily available for the CAISO to post. That said, if one item were to slow the progress of the other, the two can be viewed as separable.

⁴ Web location: <https://www.caiso.com/rules/Pages/OperatingProcedures/Default.aspx>