



651 Commerce Drive  
Roseville, CA 95678

phone (916) 781-3636  
fax (916) 783-7693  
web [www.ncpa.com](http://www.ncpa.com)

## **Comments of Northern California Power Agency 2011 CRR Enhancements Straw Proposal**

**April 29, 2011**

Northern California Power Agency (“NCPA”) provides the following comments in response to CAISO’s 2011 CRR Enhancements Straw Proposal posed on April 15, 2011.

### **General Comments**

NCPA supports CAISO’s decision to make no changes to the annual allocation process.

### **Revenue Adequacy Issues**

NCPA supports implementation of the historical OTC breakeven point method for calculating the amount of capacity released at intertie scheduling points in the annual allocation process. Use of the historical OTC breakeven point method should improve CAISO’s ability to achieve revenue adequacy, and in turn should reduce CAISO’s need to use Global Derate Factors (GDF) as part of the annual process.

### **Amount of Capacity Released in the Annual Process**

NCPA supports the current process under which 75% of the network capacity is released in the annual allocation process. CAISO proposes to modify the percentage of network capacity released in the annual allocation process to 65% in order to increase the amount of capacity made available in the monthly process. NCPA believes that implementation of CAISO’s proposed historical OTC breakeven point method should increase the amount of capacity that is made available in the monthly process by reducing the use of GDFs; therefore CAISO’s proposed reduction in the amount of capacity released in the annual process is not required.