



Congestion Revenue Allocation Phase II

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NV Energy's Overall Perspective



- Treat all OATT customers equally – no winners or losers
- Hold OATT customers harmless to the extent possible from any financial consequences from the actual use of their firm transmission rights
 - After OATT firm transmission is protected from congestion costs resulting from intra-day changes to their transmission schedules as permitted by the OATT, congestion shortfalls or surpluses would be allocated on a load ratio share.
- Otherwise, there is potential for Nevada customers paying for transmission revenue requirements and not receiving commensurate benefits.

Congestion Revenue Allocation



- Initiative importance to NV Energy:
 - Impact of congestion revenue on EDAM Benefits
 - Design and implementation schedule has a material impact to our go live date
 - Sensitive to other EDAM Entity go-live dates and the complexities and uncertainty a design change brings
- Requesting CAISO to perform additional analysis showing the proposed congestion revenue allocation, including upcoming major transmission projects (e.g. Greenlink and SWIP-N) with the proposed options versus the current methodology

Preference to Option 1



- Incremental enhancement that captures congestion hedge for self-schedules and market awards
- NV Energy would not be participating in the market to self-schedule. Option 1 may not completely mitigate the self-scheduling issue, but we are uncertain that behaviors will change
- NV Energy is not interested in an expanded CRR design – a central tenant of EDAM was to join the day ahead market while preserving OATT service
- The perfect solution likely doesn't exist, the solution should:
 - Not cause delays in joining EDAM – need to align tariffs
 - Not be costly as to further increase the Grid Management Charge
 - Be implementable by existing and future EDAM Entities given scarce vendor resources

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