



Congestion revenue rights discussion

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Three tracks for addressing CRR auction efficiency

- **Track 0:** Process changes under current authority
 - Ongoing
- **Track 1:** Stopgap measures in time for annual 2019 process
 - Target March 2018 BOG
- **Track 2:** Potential comprehensive changes
 - Target mid-year BOG

Restrict allowable source and sink pairs in the auction

- Restrict eligible source and sink pairs to those needed for hedging physical delivery of energy

Current Rule	Proposal	Benefit
Auction has no limitation. Market participants can buy any pair, such as between generator locations or between load aggregation locations.	Limit pairs to generator and intertie nodes to trading hubs, loads, and interties	Align auction with hedging physical delivery of energy and increase competitive auction outcomes.

	Sink					
	LAPs	GEN	PNODE	TIE	TH	
Source	LAPs					
	GEN	Y			Y	Y
	PNODE					
	TIE	Y				Y
	TH	Y			Y	

Decrease percentage of system capacity released in annual CRR process

- Align percentage of system capacity released with our confidence in the topology as of the time we run the CRR market

Current Rule	Proposal	Benefit
Release 60% of system capacity in long-term allocation	Release 40% of system capacity into the long-term allocation process.	Reduce overselling the available transmission capacity
Release 75% of system capacity in annual allocation and auction process.	Release 45% of system capacity into the annual allocation and auction process.	Reduce overselling the available transmission capacity

Eliminate disclosure of certain modeling information

- Market participants should base nomination/bids on expectation of actual day-ahead market results, not on our specific auction model
- Reduce opportunities to exploit the auction based on our particular modeling practices

Current Rule	Proposal	Benefit
Disclose CRR auction model that includes exactly how outages, contingencies, and constraints are modeled in the auction model itself.	<p>Will provide outage information and list of all possible constraints and contingencies,</p> <p>Will not disclose which outages are modeled out-of-service and constraint/contingency enforcement status</p>	Aligns nominations and bidding with expectations of actual day-ahead models rather than the specific way the ISO models the congestion revenue rights market.
ISO builds one CRR model and discloses it to market participants.	Ensure market participants have all required information to determine expected day-ahead market results.	Participants can estimate day-ahead congestion and base CRR bidding accordingly.

Align existing outage reporting rules with annual CRR process

- Increase amount of outage information that can be incorporated into annual allocation and auction

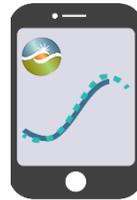
Current Rule	Proposal	Benefit
Required to submit annual transmission maintenance plans by October 15.	Require submittal of annual transmission maintenance plans by July 1.	Enables modeling of high-impact outages in the annual process
Annual plan includes <u>all</u> facilities comprising the ISO controlled grid	Only require plan for those facilities that meet the CRR reporting criteria in the Tariff	Target information requirements to only those facilities needed for CRR modeling purposes.
Annual plan includes <u>all</u> types of outages on facilities comprising the ISO controlled grid.	Only require plan for types of outages that impact the CRR model, to be defined in the BPM.	Target information requirements to only those types of outages needed for CRR modeling purposes.

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