

CRR Credit Policy Enhancements Draft Final Proposals



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California ISO
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Stakeholder Conference Call
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Agenda

- 🌐 Draft Final Proposals for May Board Decision
 - 1. Credit Policy for CRR Transfers with Load Migration
 - 2. Credit Requirement for Holding Short-Term CRRs
 - 3. Pre-Auction Credit Margin Requirement
 - 4. Enhanced Affiliate Disclosure Requirement

Credit Policy for CRR Transfers with Load Migration

- 🌐 Draft Final Proposal:
 - Disallow netting between allocated CRRs and auctioned CRRs in the credit holding requirement calculation, and
 - Require LSEs selling allocated CRRs to maintain sufficient credit coverage to cover the counter-flow CRRs that offset the CRRs being sold.

Credit Requirement for Holding a Short-Term CRR

- 🌐 Draft Final Proposal:

Credit Requirement

= - min (Auction Price, Historical Expected Value)

+ Credit Margin

- 🌐 Historical Expected Value will be based on historical market operation data consistent with the calculation of Credit Margin for each month; The proposed enhancement will take effect one year after the start-up of MRTU.

Pre-Auction Credit Margin Requirement

Draft Final Proposal:

- Add full Credit Margin to pre-auction credit requirement

$$\max[\$500,000, \sum_{CRR\ i} (|bid\ price_i| + Credit\ Margin_i \times MW_i)]$$

Enhanced Affiliate Disclosure Requirements

- 🌐 Draft Final Proposal:
 - Disclosure agreement should apply to all Candidate CRR Holders and all Affiliates not just Affiliates participating in the CAISO's market. Proposed changes to MRTU Tariff section 39.9:

Each CRR Holder or Candidate CRR Holder must notify the CAISO of all entities that are Affiliates or become Affiliates of the CRR Holder or Candidate CRR Holder.