

Stakeholder Comments on: CRR Hourly Settlement Pro-Ration Amendment Filing

Submitted by (Name and phone number)	Company or Entity	Date Submitted
Michael Kramek 626-302-7455	Southern California Edison	July 10, 2009

SCE respectfully provides the following comments on the CAISO proposed tariff amendment to remove the rules that pro-rate hourly CRR settlements based on the total hourly amount of congestion rents collected by the CAISO, dated June 30, 2009.

Impacts on Revenue Neutrality under Payment Acceleration

SCE is concerned with the ability for the CAISO to remain revenue neutral when it moves to the settlement cycle proposed under Payment Acceleration. Payment Acceleration will produce two invoices a month, with the first invoice consisting of trade dates 1-15 and the second invoice consisting of trade dates 16-EOM. The implications of the proposed rule change on the Payment Acceleration settlement cycle is that for the trade months first invoice (1-15) CRR holders will be paid in full even if the CAISO's hourly congestion fund is insufficient to cover the hourly payments. The CAISO can use the annual and monthly CRR auction revenue applicable for the given trade month to cover any CRR revenue insufficiency on the 1st invoice, but the potential exists for those revenues to be insufficient to cover the payments to CRR holders. On a monthly basis the CAISO can allocate any remaining CRR revenue shortfall to measured demand, however no such rules or charge codes currently exist on an hourly or semi-monthly basis. Under a scenario where the annual and monthly CRR auction revenues are insufficient to fully fund CRR holders how will the CAISO fund the CRR payments for invoice containing trade days 1-15?