

SVP Comments on CAISO Draft Tariff Language on Inter-SC Trades Oversight Exemption

SVP has the following questions on the CAISO draft Tariff language provided on July 20, 2012:

- (1) Section 28.4(b)(ii): The CAISO uses the phrase “between separate beneficial owners”. Under the proposed language would affiliates, such as corporate subsidiaries or JPA members, be permitted to utilize Inter-SC trades in connection with transactions amongst themselves?
- (2) Section 28.4(b)(i): In the fourth indented item, the CAISO uses the phrase “with performance taking place within a reasonable time with prevailing cash market practices.” Does that language prohibit the related transaction from being a longer-term transaction or contract?
- (3) Section 28.4(b)(i): In the fourth indented item, the CAISO uses the phrase “and is not contingent on either party to carry out the Inter-SC Trade.” Will the use of such language allow an entity that is still required to submit balanced SC portfolios, such as a load-following metered subsystem or metered subsystem aggregation, to submit Inter-SC Trades in order to balance its resources and load, when some of its resources are represented by a different SC than are its other resources and its load? Can such an entity enter into a bilateral transaction that requires the counterparty to engage in an Inter-SC Trade to facilitate the bilateral transaction such that the entity can balance its resources and load?
- (4) Under the new tariff language, will Inter-SC Trades still be able to be utilized by parties involved in transacting bundled RECs?

SVP appreciates the opportunity to comment on the CAISO’s draft tariff language. Please contact me if you have any questions regarding our comments.

Sincerely,

Ken Kohtz
Silicon Valley Power
(408) 615-6676