Provide specific comments and reasons for proposed changes.

CRR Implementation Comments Template

Name and Organization	Section	Issue/Comment/Rationale	Proposed Redline
Ken Kohtz – Silicon Valley Power	CAISO Credit Requirements paper	It appears that the CAISO will likely not establish credit requirements on LSEs who participate in the CRR allocation process.	SVP supports the ISO's plan to not impose additional credit requirements on LSEs involved in the CRR allocation process.
Ken Kohtz – Silicon Valley Power	CRR Source Nominations at Trading Hubs	In the ISO's investigation into potential remedies to the CRR Dry Run Tier 2 Trading Hub lack of awarded nominations, two sensitivity analyses were performed, where the first analysis reduced the system transfer capability from 75% to 50% of this 75% in Tier 1 and then increased the system transfer capability to 75% of the full amount in Tier 2, and the second analysis reduced the source nomination amount from 75% of the full verified amount to 50% of this 75% in Tier 1 and then increased the source nomination amount back to 75% of the full verified amount in Tier 2.	Several comments were made on this subject during the ISO's 2/27/07 stakeholder meeting. One item briefly discussed was for the ISO to run additional analyses to determine if more than 50% of 75% of the system transfer capability for Tier 1 could be utilized and achieve the same Tier 2 Trading Hub successful result. For example, would 75% or 90% of the 75% achieve the same Tier 2 Trading Hub objective and also eliminate most of the amount of unsuccessful CRR nodal source requests? This additional amount of sensitivity analysis #1 appears to be more desirable than sensitivity analysis #2 in that it does not restrict the source limitations in Tier 1. SVP – an LSE that has ownership of or contractual arrangements with/at a significant and diverse amount of generating units and import nodes - is concerned with the Dry Run's result that trading hub sources have an advantage (over generator or import nodes) in consuming available system capacity – due to their low effectiveness on reducing possible overloaded constraints. Thus, in addition to having the ISO perform desired additional sensitivity analysis mentioned above, the ISO should also consider (and compare) other ideas mentioned at the 2/27/07 stakeholder conference, namely a) treating the Trading Hub nominations as multi-point CRR nominations from all generators that are a part of the Hub, as this could remove any binding constraints from the resulting Trading Hub CRR hedge,

			and b) small tweaks to the definition of the generator nodes that make-up the Trading Hubs, if such small tweaks would eliminate the most prevalent constraints, but that would also result in prices that resemble the average price if all generation were in the Hub. However, this option could potentially result in inconsistencies with seller's choice contract settlement requirements. In summary, SVP suggests that the ISO, in its attempts to award additional CRR nominations at Trading Hubs, does all that it can to not adversely effect the awarding of CRRs from generator or import nodes.
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