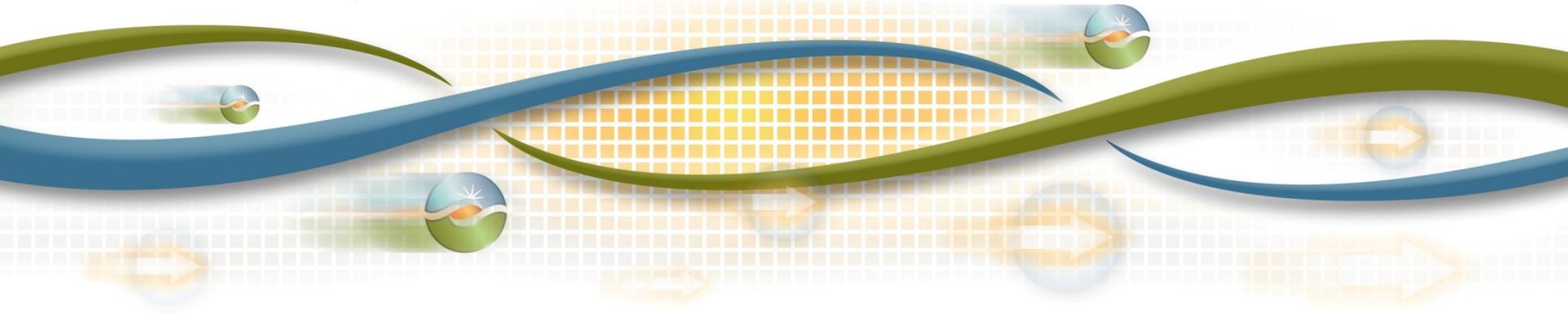




# Transmission outage transparency discussion

Ryan Kurlinski  
Manager – Analysis and Mitigation Group  
Department of Market Monitoring

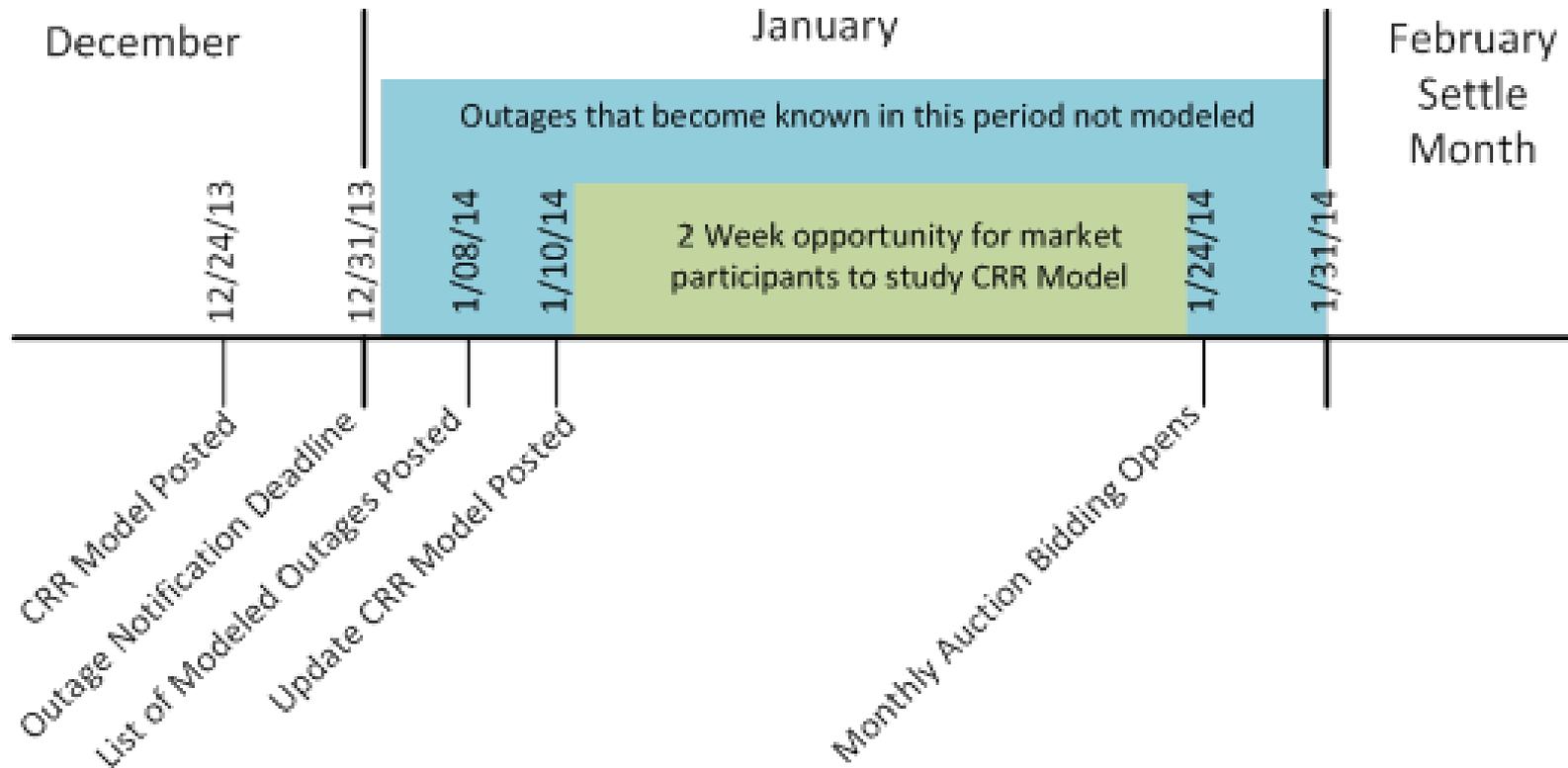
Market Surveillance Committee  
General Session  
December 11, 2015



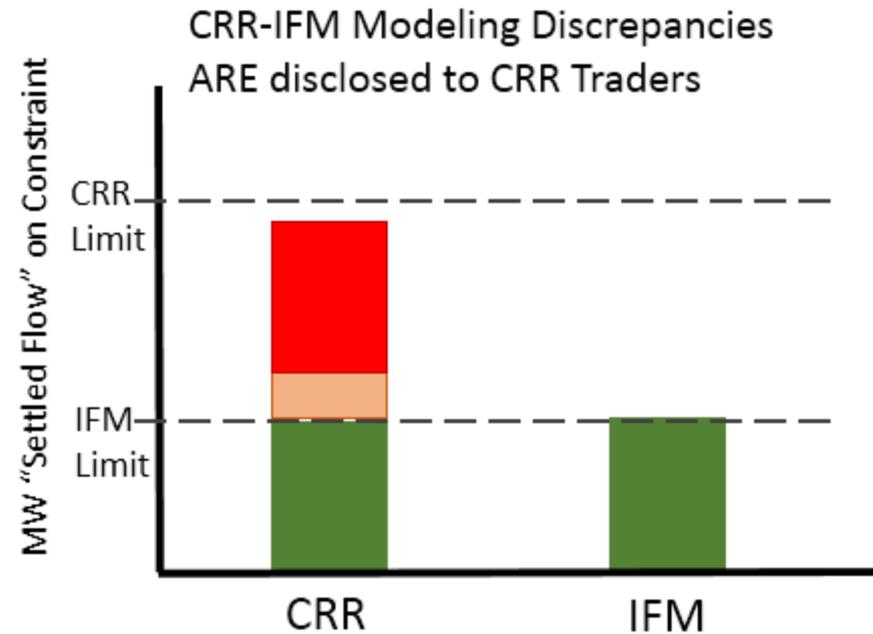
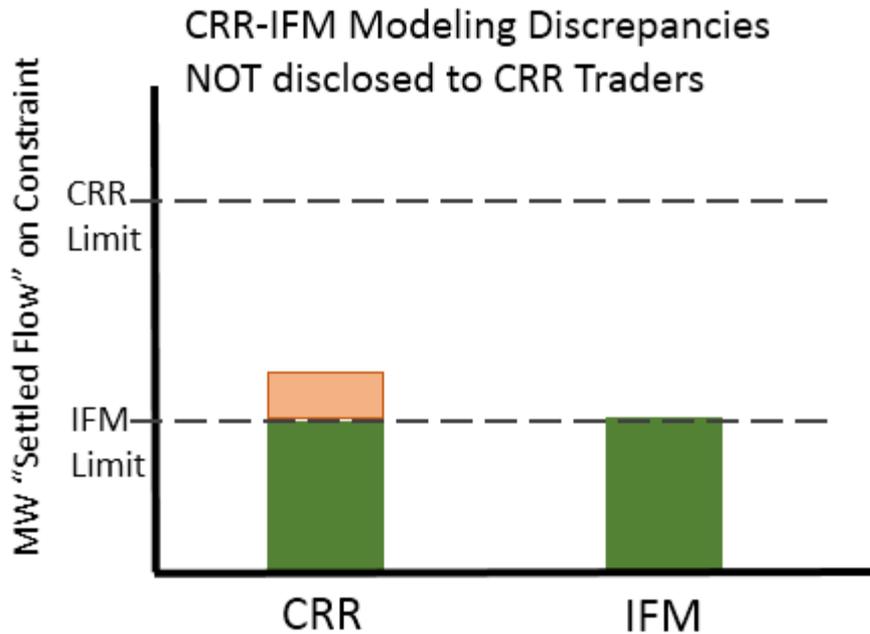
## CRR → IFM modeling discrepancy disclosure policy

- CRR traders seeking significant policy change
  - Creates risk for ratepayers
  - Would need to be assessed carefully within context of overall CAISO market design

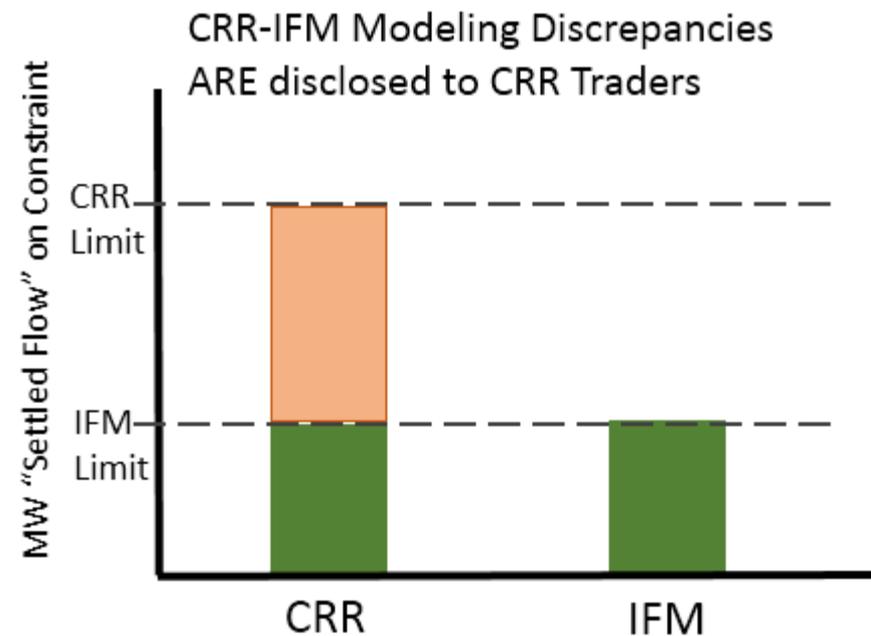
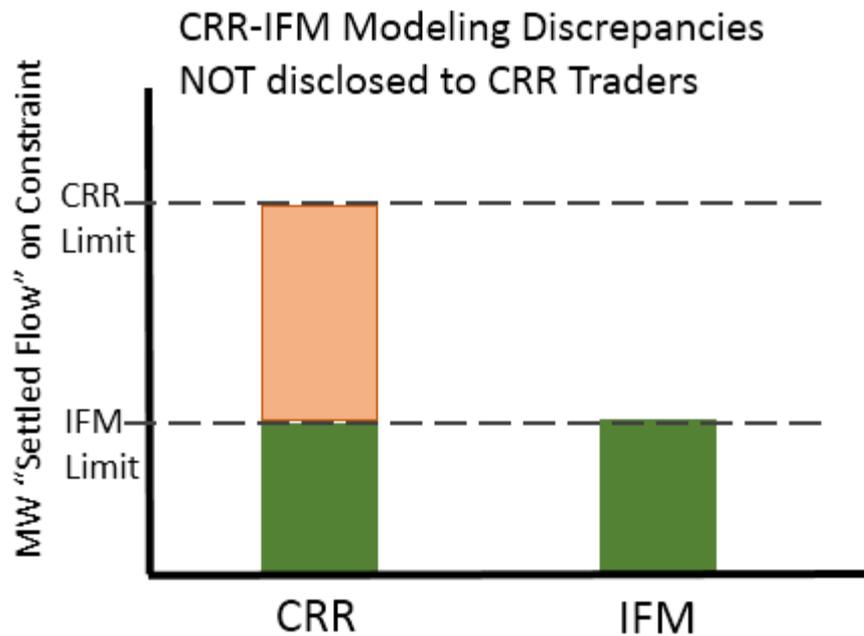
# CRR traders seek changes that will allow them to target discrepancies between CRR and IFM models



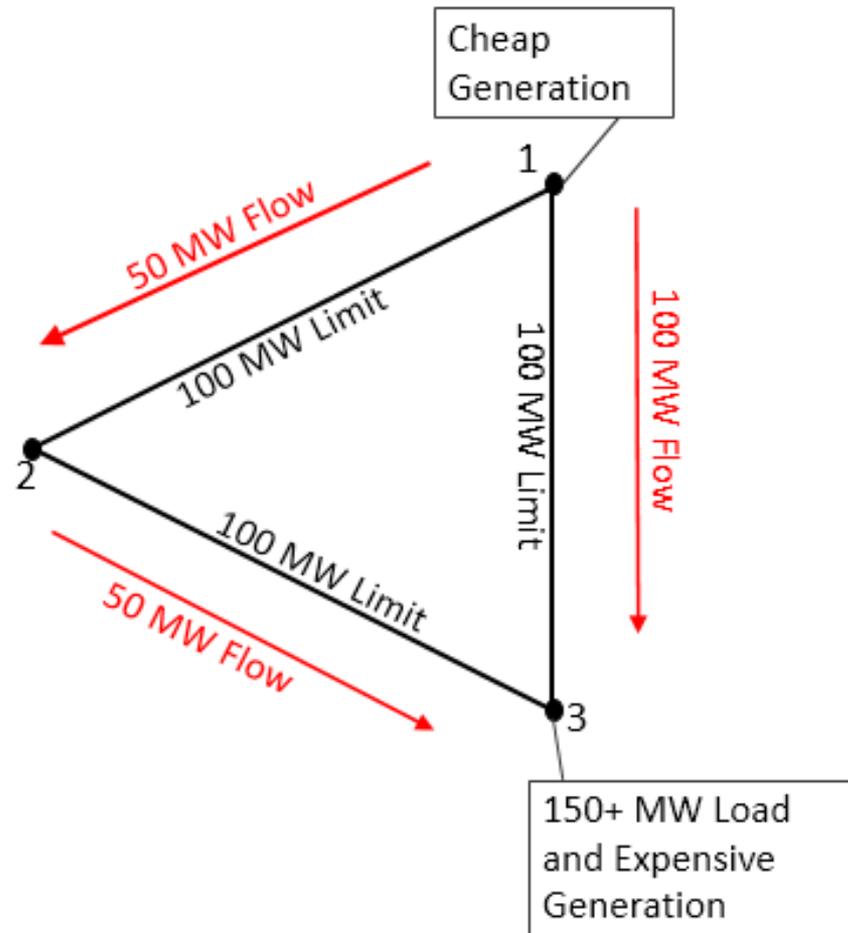
# CRR revenue inadequacy currently paid by CAISO ratepayers



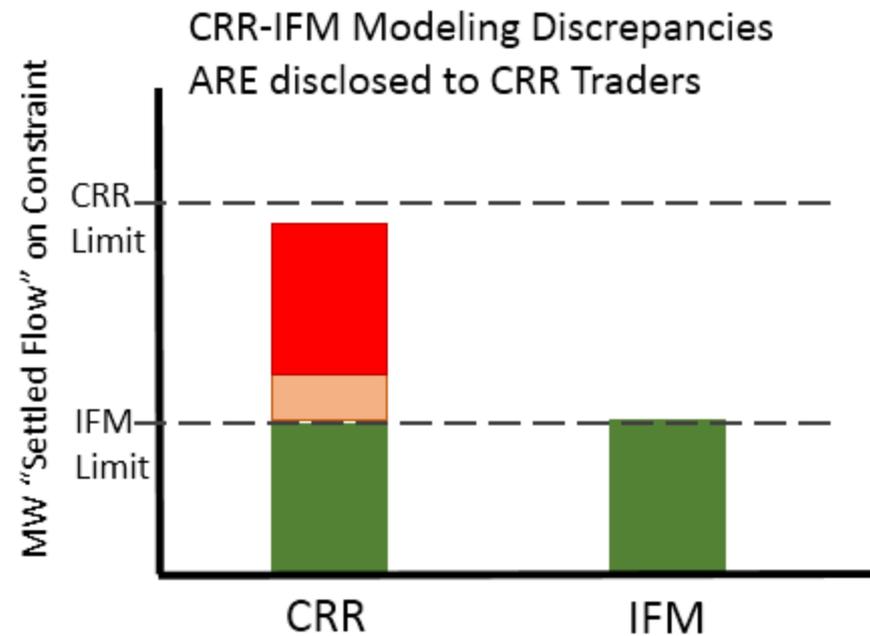
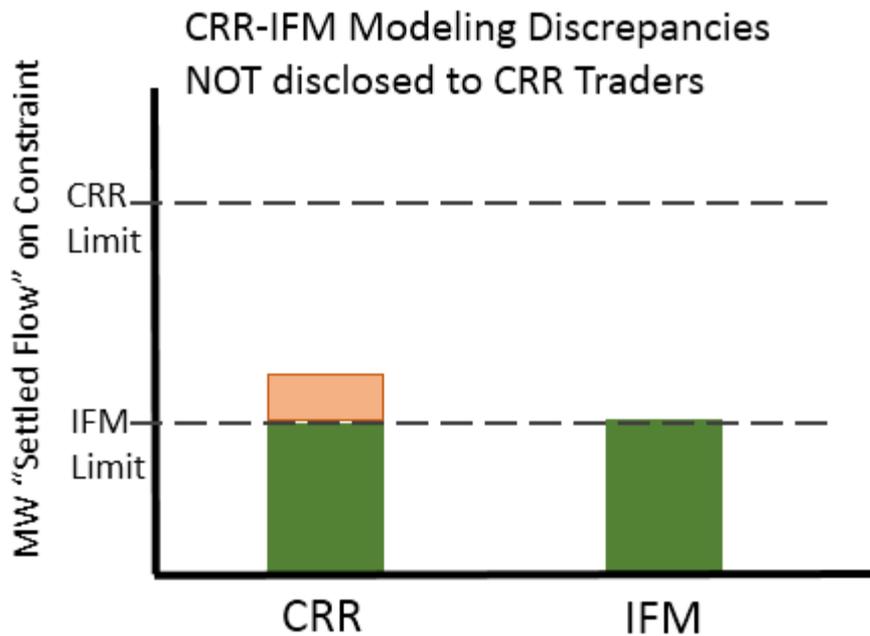
# Radial constraints that would bind in CRR model regardless of modeling discrepancy disclosure policy



# Constraints in a network: Outages and derates change which constraint will bind in IFM



# Modeling discrepancy disclosure will cause CRR traders to target network constraints that would not have been binding in CRR model



- Increases CRR revenue inadequacy paid by ratepayers

# Policy changes that increase risk of transfer payments from ratepayers to CRR traders would need to be carefully considered

- CAISO CRR revenue inadequacy allocation:
  - All risk on ratepayers
- Many other ISOs' revenue inadequacy allocation:
  - Risk on CRR traders
- Can it be shown that benefits of allowing CRR traders to target modeling discrepancies outweigh risks to ratepayers?
- Alternative: Change revenue inadequacy allocation
  - Allocate shortfall by constraint to CRR holders
    - CRR traders could efficiently price modeling discrepancies and uplift risks