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**Comments of Northern California Power Agency
Contingency Modeling Enhancements
February 3, 2016 CRR Alternatives Discussion Paper**

February 19, 2016

Northern California Power Agency (“NCPA”) appreciates the opportunity to provide the following comments on the CAISO’s February 3, 2016 Contingency Modeling Enhancements CRR Alternatives Discussion Paper.

Through the Contingency Modeling Enhancements stakeholder initiative, the CAISO has identified the potential for CRR revenue inadequacy as a result of the implementation of the preventive-corrective constraint. While this detailed and thorough paper provides nine alternative methods for addressing this issue, the potential magnitude of the revenue inadequacy issue is not discussed. That value impact to the already existing problem of CRR revenue inadequacy is pivotal with respect to any recommended solution NCPA would provide.

The prototype model of the preventive-corrective constraint that the CAISO has been working to develop should be able to shed light on the extent to which any changes are needed to the existing CRR program in light of this proposed new constraint. NCPA contends that drastic and complex changes to the CRR program should not be contemplated without strong evidence that the negative impacts to revenue adequacy require such.

Additionally, NCPA offers that CRR revenue inadequacy generally as well as its allocation deserve to be addressed, and may well be larger problems solved with simpler solutions.