

Response to Stakeholder Comments on Draft Tariff Language Congestion Revenue Rights Auction Efficiency, Track 1A

Tariff Section	Stakeholder Comment	ISO Response
9.3.6.1	<p>1. Boston Energy comments that the language should be clarified to ensure the IOU's include the reason/driver for the outage and that the nature of the proposed outage should be included in the transmission outage report.</p> <p>2. NRG Energy, Inc. (NRG) questions what outages are on transmission that may affect the ISO's Controlled Grid but are not part of the ISO's Controlled Grid? NRG further questions if Operators and Scheduling Coordinators should be required to include these outages as well? NRG proposes deletion of the term "requirements" in the second to last sentence.</p> <p>3. NRG further states that in addition to a singular/plural mismatch, the obligation to submit the outage plan is on the Operators and Scheduling Coordinators, while the proposed tariff language indicates that the Participating Transmission Owner (PTO) has the obligation to coordinate with the Utility Distribution Companies (UDCs) that interconnect to the PTO's system. NRG emphasizes that there should not be misalignment between the party that has the obligation to develop the plan and the party that has the obligation to submit the plan to the ISO.</p>	<p>1. The CAISO is proposing to apply the same requirements it applies to the outage plans the transmission owners already are required to submit in by October 15 of each year. Those requirements are specified in Section 9.3.6.1.</p> <p>2. The CAISO can only require outages on transmission facilities that are part of the CAISO Controlled Grid.</p> <p>CAISO believes leaving the term "requirements" in the second to last sentence is appropriate because indicates that the operator has to include planned maintenance requirements in their plan.</p> <p>3. As part of this stakeholder process, the CAISO is not proposing to modify its current tariff requirements related to who has to submit the outages as part of this stakeholder process.</p>

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	<p>4. Finally, NRG questions the term “transmission facility” as it is not a defined term, and questions if a UDC can have a “transmission facility.” NRG also proposes modifying the draft tariff language to state “<i>proposed</i> Maintenance Outage,” and to omit the phrase “once it commences.”</p> <p>5. Pacific Gas & Electric Company (PG&E) questions how the ISO will ensure that the Transmission Maintenance Outage plan is developed in consultation with a UDC’s planned maintenance requirements, since this requirement is outside of the existing planning process?</p> <p>6. The Six Cities proposes that the language read as follows:</p> <p>“By July 1 of each year, each Operator of <u>facilities subject to Section 36.4.3.2</u> shall provide the CAISO with a CRR Transmission Maintenance Outages plan that includes...The plan shall pertain to the Operator’s transmission facilities that <u>are described in Section 36.4.3.2</u>. The Participating TO shall develop the plan in consultation with the UDCs...The plan shall include the following</p>	<p>4. The use of the term transmission facility is self-explanatory and does not need to further definition in this sentence because the statement refers to transmission facilities that comprise the CAISO Controlled Grid, which is a defined term: “The system of transmission lines and associated facilities of the Participating TOs that have been placed under the CAISO’s Operational Control.”</p> <p>The CAISO is proposing to use the same language that has been approved by FERC for outage plans that must to be submitted by October.</p> <p>5. The existing requirements for the October 15 plans already require PTOs to consult with the UDC. We are not proposing changes this requirement. It is reasonable to expect that the PTOs coordinate outages on their systems with UDC that are connected to their systems.</p> <p>6. Because we are using the defined term CRR Transmission Maintenance Outage, which specifically refers to 36.4.3, we question the need for the additional cross references.</p> <p>We are agreeing to remove the reference to “scheduling coordinator” because it does not apply to the July 1 deadline; the July 1 reporting deadline applies only to transmission owners not generators.</p>

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	<p>information for each transmission facility <u>subject to Section 36.4.3.2:</u>"</p> <p>The Six Cities also proposes eliminating the phrase "or Scheduling Coordinator" from the draft tariff language.</p> <p>Finally, The Six Cities proposes deleting the last paragraph, as it argues that the language does not seem necessary for this section.</p>	<p>With respect to the last paragraph, this is existing language that applies to the outages to be submitted by October 15 that would apply to these as well. This language is necessary because it indicates how the planned outages in the plans submitted in July could change. Changes could include both changes to the outages submitted or new outages. But in either cases, the paragraph highlights that Operators must follow the existing tariff provisions for submitting those changes. We believe this paragraph should stay.</p>
<p>9.3.6.2</p>	<ol style="list-style-type: none"> 1. Boston Energy comments that the language should be clarified to ensure the Investor Owned Utilities (IOUs) include the reason/driver for the outage and that the nature of the proposed outage should be included in the transmission outage report. 2. PG&E proposes modifying the draft tariff language to clarify to state that only "known" Maintenance Outages "at the time of submission" are provided by the October 15 deadline. <p>PG&E further states that while the ISO may argue that this is existing tariff language, and thus does not need to change, PG&E argues that this language does not clearly comport with the existing practice. PG&E states that currently, only known outages planned far enough in advance (such as Long Range planned outages) are communicated through the October 15th Proposed Schedule of</p>	<ol style="list-style-type: none"> 1. The CAISO is not proposing any changes to this section other than a grammatical correction because the stakeholder process did not conclude any changes needed to be made to the outage plans submitted by October. 2. With regards to PG&E's concern, the CAISO agrees that only planned outages that are known by October 15 can be reported by October 15. This is implied because if they are not known they cannot be reported. The CAISO expects, however, that if they are known and planned by July 1 or October 15, the Operators will report the outages by those dates. The CAISO understands that changes to the plan may be necessary because, e.g., changes to already-planned outages may be necessary or new outages may be necessary that were not necessary as of the reporting deadline. This is why the section also states that changes



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	<p>Maintenance Outages. PG&E further argues that this language could be interpreted as the ISO requiring that all outages the UDC wishes to take the following year must be included in the Proposed Schedule to take those outages, and that if a UDC does not provide this information, then it is not following the ISO’s tariff. PG&E states that this is not a reasonable requirement.</p>	<p>can be requested at any time consistent with tariff requirements. At this time, the CAISO is not changing its practice of allowing Operators to take maintenance outages subject to evaluation of such outages consistent existing tariff rules even if the outage is not reported by those applicable dates but reported within the remaining tariff required timelines. If it did, the CAISO would have to change its tariff to state so explicitly.</p>
9.3.6.3.2	<p>1. Boston Energy proposes the following language:</p> <p>“1. An Operator or Scheduling Coordinator <u>are required</u>, upon thirty (30) days notice in advance...”</p> <p>2. Boston Energy comments that the ISO’s analysis showed that the transmission owner’s failure to comply with was the key driver of the CRR net payment concerns. Boston Energy argues that changing a single work from “may” to “shall” seems to indicate that the ISO wants to provide the transmission owners flexibility in complying with the requirement. Boston Energy further states that it seems to be a contradiction to addressing a major driver of the CRR net payment concerns, and that the ISO should update the language to state that transmission owners “MUST” schedule transmission outages 30 days in advance of the first day of the month that the outage is proposed to be scheduled. Boston Energy concludes that the tariff language needs to be updated to describe the ramifications for the IOU’s failure to comply with the</p>	<p>1. The tariff already states they shall submit the request. This language is clear that such reporting is a requirement.</p> <p>2. Changing the word “may” to “shall” was not intended to provide the TOs greater flexibility. It was necessary to clear up the confusion between this section and 36.4.3, which stated that they shall provide the outages in that timeframe. We agree with Boston Energy that the 30-day reporting requirement was never intended to be optional. It always has been, and with this filing will remain, mandatory.</p>



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	<p>requirements.</p> <p>3. PG&E argues that the word “may” should remain in place and not to use the word “shall,” with regards to item No. 1. PG&E states that to use the word “may” rather than “shall” was intentional to recognize that not all maintenance outage information is known, even 30-60 days prior to the start of the outage. PG&E further states that the outage on short notice can be due to weather, permitting issues, or other forced outages, etc., which can impact planned work.</p> <p>4. PG&E further argues that it is possible to interpret this language to mean that if the outage is not provided 30 days in advance of the month, only forced outages could be taken on equipment that could impact the CRR model. PG&E states that this indicates that the ISO is discouraging planning preventative outages less than 30 days before the month, and that instead of submitting outages on less than 30 days notice, the language may be encouraging UDCs to wait until forced outage conditions occur if the work cannot be completed 30 days in advance. PG&E requests that the ISO confirm this change in the ISO’s transmission outage policy.</p>	<p>3. We disagree. The term “may” was included because not all outages fall within the criteria specified in Section 36.4.3. But, if they do, 36.4.3 clearly requires that they be submitted within the time frame. If they are known and fall within the criteria, the Operator must report the outages. If they are not known at that time, we understand that they cannot be reported.</p> <p>4. If the outages are not reported in the 30 day time period because they are not known then, there are other tariff provisions in Section 9.3.6 that apply for how to change or submit planned outages.</p>
36.4.1.1	<p>1. NRG comments that the term “planned outage” is not defined in the ISO’s tariff, but states that the term “CRR Transmission Maintenance Outages” is defined. NRG questions why the term “CRR</p>	<p>1. The CAISO will consider all the outages that are reported at the time, not just the ones that were to be submitted pursuant to 36.4.3.</p>

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	<p>Transmission Maintenance Outage” is not used in this particular section.</p> <p>2. NRG further states that as an aside and unrelated to the CRR Auction, the term “Planned Transmission Maintenance Outage Maintenance” should be “Planned Transmission Maintenance Outage.”</p>	<p>2. Not clear where this term is used.</p>
36.4.3.1	<p>1. NRG proposes deleting the phrase “for outages it plans to take in the following year,” and to end the sentence as “their CRR Transmission Maintenance Outages plan by July 1 of each year.”</p> <p>2. The Six Cities proposes changing the last sentence of the draft tariff language from “for outages <i>it plans</i>,” to “for outages <u>they plan</u> to take...” The Six Cities also proposes eliminating the phrase “or Scheduling Coordinator” from the draft tariff language.</p>	<p>1. The phrase adds clarity and is consistent with the intent. Not clear why it should be deleted.</p> <p>2. We agree to change “for outages <i>it plans</i>,” to “for outages <u>they plan</u> to take...”</p> <p>We also agree to remove the reference to “Scheduling Coordinator” from proposed section 9.3.6.1.</p>
36.4.3.2	<p>NRG questions if no. (3) adequately captures a transmission outage in which the line may be out-of-service for eight (8) hours each day, but the work goes on for two (2) weeks?</p> <p>PG&E questions the format of the last paragraph – why it was not included as (d) and (e) to the section.</p> <p>The Six Cities questions if “(2) involve system configuration changes that affect power flow in the</p>	<p>If the outage on a particular element cannot be completed within the 24-hour time period, the outage should be reported. The CAISO explained this further in the filing accompanying the proposed tariff language in 2008 where it stated “The revised provision, adopted in response to a request by Participating Transmission Owners (‘PTOs’), allows the PTOs greater flexibility to reduce the number of planned Outages that must be scheduled under the 30-day rule by allowing the exemption to apply if the Outage is planned to be</p>

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	<p>CRR DC FNM” something that Operators can determine.</p>	<p>initiated and completed within a 24-hour period which may consist of portions of two consecutive calendar days. The CAISO believes that the change should not have an adverse impact on CRR revenue adequacy because the total duration of an exempt outage is not any greater under the revised provision than it could be under the original provision.” Transmittal letter ER08-1059, May 30, 2008.</p> <p>The CAISO will clarify the 24-hour rule in the tariff.</p>
<p>36.13.4</p>	<p>1. The Six Cities questions why not apply the proposed tariff revisions to month auctions for 2018 as soon as possible and wait until 2019?</p> <p>2. Western Power Trading Forum (WPTF), represented by Rosero Consulting, states that Sections 36.7.1.1 and 36.13.1 uses the term “sales” when referring to selling of CRR via secondary trades and imposes certain reporting requirements/limitations on those CRRs and activities. WPTF questions if it would be beneficial to further distinguish between sales via secondary trades and sales via CRR auction. WPTF states that the use of the term “acquired” may not clearly capture the sell feature and suggests changing the term to “acquired/sold.” WPTF proposes the following language:</p>	<p>1. Because the CAISO has already released CRRs with those source sink combinations in the annual auction, we need to provide holders of such rights the ability to unwind them through this year’s remaining outage processes.</p> <p>2. We do not see the need for changes to Section 36.7.1.1 at this time. We have made changes to 36.13.1 to reflect WPTF’s comments. We also do not see the need to make changes to 36.13.1. The term acquired in that section is used in the following sentence. “Third, in CRR Year One the CRR Auction cannot be used by CRR Holders to offer for sale CRRs they acquired in a prior CRR Allocation, CRR Auction or through the Secondary Registration System.” Because we are beyond CRR Year One we do not need to make that change. With regards to Section 36.13.4, instead of WPTF’s proposed change but to address its concern, we propose to add two separate sentence</p>

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	<p>“Market Participants will submit Bids to purchase <u>and sell</u> CRRs in accordance with the requirements set out in this Section 36.13.4...”</p> <p>WPTF further states that the Simultaneous Feasibility Test (SFT) that is referenced uses the term “awarded” frequently. WPTF questions if that too should be expanded to also reflect CRRs that are sold, or if the term “awarded” captures both awarded sells and awarded purchases.</p> <p>WPTF notes that it is concerned with the criteria that both the bids to buy and sell have to be monotonically non-increasing. WPTF states that in today’s world that works. Entities can either (1) buy a CRR in the opposite direction to liquidate their position or (2) bid negative prices. WPTF argues that the first will no longer work given the limitation on biddable pairs, which leaves the second work-around. WPTF further states that if the vendor is going to write the software to accept actual sell bids (instead of entities submitting negatively priced buy bids) then the bid curve should be monotonically non-decreasing. WPTF states that a true bid to sell would be like a supply curve – willing to sell more quantity as the price goes up, so if the vendor is coding it such that the CRR auction will distinguish bids to sell from bids to buy, then the current criteria reflected in the tariff will not work for bids to sell.</p>	<p>to reflect conditions for purchases or sales. At this time we do not see the need to change section 36.4.2 but we will evaluate this request further. We agree to make the change to 36.13.4 that reflects the monotonicity requirement for bids to sell as well as buy CRRs in the auction.</p>



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36.13.5	<p>1. Boston Energy comments that the language is not clear as to what, if any, restrictions are being placed on the new sell feature. Boston Energy states that a market participant looking to sell a CRR is not “acquiring it,” and that the language should be updated to reflect the sell feature being added.</p> <p>2. NRG proposes deleting the word “or” before “(2) from a Trading Hub to...” NRG also proposes adding the word “a” before the phrase “Scheduling Point to a LAP...”</p>	<p>1. We proposed language in this section to incorporate the sell feature. We also clarified the tariff further in response to this and other comments,</p> <p>2. We do not agree with the NRG proposed edits.</p>