

4/18/2017 CRR Working Group Comments

Submitted by	Company	Date Submitted
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SCE appreciates the opportunity to participate in and comment on the CAISO's Congestion Revenue Rights (CRR) Auction Efficiency Analysis Working Group Meeting that was held on 4/18/2017.

SCE believes the fundamental issue with the CRR auction is its structure. That is, CRR auctions should not require any party to financially back a CRR they did not directly sell or buy. Rather than fixing this structural flaw, the analysis discussed at the working group meeting seems to be intended to identify and eliminate the systematic difference between auction prices and payouts. This analysis path seems misguided because it doesn't address the actual issue with the CRR markets discussed above. Even if the CAISO could identify a better way to auction off CRRs, it doesn't change the structural issue of requiring a party that didn't sell or buy the CRR to act as if they did.

SCE encourages the CAISO and stakeholders to focus on and outline the fundamental issues of the CRR auction structure rather than focusing on ways to change parameters within the existing structure. If the structure is fixed, many of the concerns being discussed in this working group will naturally be eliminated.