

## **Vitol Comments: Congestion Revenue Rights Analysis Working Group**

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### Comments:

Vitol supports the CAISO's initial study effort within this working group in evaluating the root causes of revenue insufficiency. As we have witnessed within other ISOs that have tackled this topic, we do believe that the CAISO should evaluate and if necessary implement responsible changes within the market or with the CRR product.

As mentioned in the working group, Vitol does understand that there are quantifiable and non-quantifiable benefits to the CRR product under the CAISO's administration. We encourage the CAISO and other stakeholders to consider all of the benefits in an effort to have a complete picture of the role CRRs play within the market. Vitol understands that market products can be used in a variety of ways within an organization's portfolios and for price discovery purposes. It's difficult to completely understand an organization's use of CRRs and therefore the ability to "categorize" counter parties that trade CRRs.

Vitol supports a liquid, transparent and competitive market environment under the CAISO's purview. It's our preference to enhance and/or develop the market and any aspects of the CRR product within an organized market structure that promotes healthy competition with both quantifiable and non-quantifiable benefits to the end-user. We caution the CAISO of the DMM's proposal in which little analysis was performed in determining any positive impacts to the market and more importantly the DMM's consideration of market power, the removal of open access and the high probability of unintended consequences.

Lastly Vitol commends the ISO in improving certain aspects of the auction and certain modeling enhancement implemented over the past few years. We believe that there are more areas of improvement and will continue to work with the CAISO and within this working group to suggest positive and responsible changes to the market, modeling, auction process and possibly the underlying product.