

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System Operator Corporation

Docket Nos. ER16-1649-000

**COMMENTS OF THE
POWER TRADING INSTITUTE OF THE COMMODITY MARKETS
COUNCIL**

Pursuant to Rules 211 and 214 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure¹ and the Commission's May 9, 2016 Combined Notice of Filings #2,² the Power Trading Institute ("PTI") of the Commodity Markets Council ("CMC") submits these comments in the above-captioned proceeding regarding the California Independent System Operator Corporation's ("CAISO") May 9, 2016 filing proposing amendments to its tariff ("CAISO Tariff" or "Tariff") to address the limited operability of the Aliso Canyon natural gas storage facility.³

I. BACKGROUND

CMC is a trade association that brings together exchanges and their industry counterparts. Its members include commercial end-users that utilize the futures and swaps markets for agriculture, energy, metal, and soft commodities. Its industry member firms also include regular users and members of swap execution facilities (each, a "SEF") as well as designated contract markets (each, a "DCM"), such as the Chicago Board of Trade, Chicago Mercantile Exchange, ICE Futures US, Minneapolis Grain Exchange,

¹ 18 C.F.R. §§ 385.211, 385.214 (2015).

² Combined Notice of Filings #2 (May 9, 2016).

³ See *Cal. Indep. Sys. Operator Corp.*, Tariff Amendment to Enhance Gas-Electric Coordination to Address Risks Posed by Limited Operability of Aliso Canyon Natural Gas Storage Facility, Docket No. ER16-1649-000 (filed May 9, 2016) ("Aliso Canyon Tariff Amendment"). Citations herein to "Transmittal Letter" or specific Exhibits refer to the various pieces of the Aliso Canyon Tariff Amendment filing.

NASDAQ Futures, and the New York Mercantile Exchange. Along with these market participants, CMC members also include regulated derivatives exchanges.⁴ The businesses of all CMC members depend upon the efficient and competitive functioning of the risk management products traded on DCMs, SEFs, and over-the-counter (“OTC”) markets.

The PTI of the CMC consists of a diverse group of energy market participants, all with substantial interests in wholesale electricity transactions in FERC-jurisdictional organized electricity markets. PTI members engage in a multitude of energy-related commercial transactions and transact with a variety of market entities, including but not limited to, generation owners, project developers and investors, suppliers of end user customers, utilities, and end user customers. PTI members advocate for markets that are open, transparent, competitive and fair, all of which are necessary attributes for markets to ultimately benefit electricity consumers.

II. COMMENTS

PTI supports the Comments of the Western Power Trading Forum (“WPTF”) filed today in this docket, which recognize the importance of maintaining reliability in the wake of the Aliso Canyon event but also emphasize the need to maintain well-functioning competitive markets, while avoiding resorting to non-transparent administrative market interventions that interfere with efficient and fair price signals.

As noted in the WPTF filing, certain amendments proposed by CAISO are overreaching and will inappropriately expand CAISO’s authority and obstruct markets. In particular, CAISO has failed: 1) to demonstrate that its proposal to reserve internal

⁴ A list of all CMC members, including members of the PTI, can be found on the CMC website: <http://www.commoditymkt.org/members/>.

transfer capability and related withholding of congestions revenue rights is just and reasonable; 2) to justify its proposal to expand circumstances in which it can suspend or limit convergence bidding; and 3) to provide any evidence that it requires authority to deem paths uncompetitive outside of its local market power mitigation process.

III. CONCLUSION

The PTI of the CMC respectfully submits these comments and appreciates the opportunity to provide this letter in support of the Western Power Trading Forum Comments.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document upon each person designated on the service list established by the Commission in Docket No. ER16-1469 Dated at Washington, D.C., this 16th day of May, 2016.

/s/ Kevin K. Batteh
Kevin K. Batteh
General Counsel
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