Stakeholder Comments Template

Maximum Import Capability Stabilization and Multi-year Allocation

This template has been created for submission of stakeholder comments on the Maximum import capability stabilization and multi-year allocation issue paper that was published on December 2, 2019. The paper, stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: http://www.caiso.com/StakeholderProcesses/Maximum-import-capability-stabilization-multi-year-allocation.

Upon completion of this template, please submit it to regionaltransmission@caiso.com. Submissions are requested by close of business on **December 24, 2019**.

Submitted by	**Organization**	**Date Submitted**
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Please provide your organization's comments on the following issues and questions.

1. **Maximum Import Capability Stabilization**

   Please provide your organization's feedback on the maximum import capability stabilization topic as described in section 2.1. Please explain your rationale and include examples if applicable.

   As the current method of calculating maximum import capability (MIC) is based on historical data (net schedule over interties in 2 hours when at least 90% of system peak load occurs during last 2 years), the MIC value calculated depends on the historical import values. As CAISO notes, the last 2 dry hydro years and retirement of resources could impact MIC value significantly for the future years. In order to prevent declining MIC values, how calculation of MIC can be modified is a question to be addressed. Interties' physical capability to import may be a better option than historical net schedules.

   Please indicate any analysis and data review that your organization believes would be helpful to review on the maximum import capability stabilization topic. Please provide details and explain your rationale for the type of data and analysis that you suggest.

   Example: Intertie physical capacity = 500 MW; Historical maximum import over the intertie based on the current method of MIC = 350 MW.

Based on current method, MIC = 350 MW

MIC based on physical capability = 500 MW

MIC calculated based on physical capability could stabilize the MIC values unless the physical capability is increased or decreased.

2. Available Import Capability Multi-year Assignment Process

Please provide your organization's feedback on the available import capability multi-year assignment process topic as described in section 2.2. Please explain your rationale and include examples if applicable.

Currently, CAISO assigns the total Available Import Capability on an annual basis for a one-year term to LSE SCs serving Load in CAISO's BAA through the 13-step allocation process detailed in the CAISO tariff. Following the 13-step Available Import Capability allocation process, LSEs can bilaterally trade their assigned Import Capability with other entities. This trading opportunity is detailed in the CAISO tariff, Section 40.4.6.2.2, Bilateral Import Capability Transfers and Registration Process. The CAISO notes that the current annual assignment process helps to facilitate the procurement of previously installed and available resources outside of the CAISO BAA elsewhere in WECC otherwise not committed to other BAAs. However, the current process may be a barrier to the development of new external resources since new builds require multi-year contracts for financing. This potential barrier is the fact that the current annual process does not provide LSEs with certainty that they would retain the same amount of RA import allocation on any particular intertie year over year. As a solution, ISO could allocate some portion of MIC (always preserving ETC, TORs, and Pre-RA commitments) to new resources outside CAISO BAA and / or load serving entities (LSE) that need import allocations for RA prorata share of MW capacity of import under RA contract.

Please indicate any analysis and data review that your organization believes would be helpful to review on the available import capability multi-year assignment process topic. Please provide details and explain your rationale for the type of data and analysis that you suggest.

Example: Remaining Import Capability - less all ETC, TOR, Pre-RA commitments = 300 MW

Supplier (new generation outside BAA) providing RA contract MW from outside BAA = 100 MW

LSE RA import from outside BAA= 200 MW

Prorata share allocation would be:

Import allocation to supplier (new generation outside BAA) = 100 MW

Import allocation to LSE importing RA = 200 MW

Additional comments

Please offer any other feedback your organization would like to provide on the Maximum import capability stabilization and multi-year allocation issue paper.

Any changes made to the allocation process should retain the Pre-RA commitment allocation to LSEs.