

**Comments of the  
California Municipal Utilities Association  
on the 2021 Draft Policy initiatives Roadmap**

The California Municipal Utilities Association (“CMUA”) appreciates the opportunity to submit these comments on the California Independent System Operator (“CAISO”) 2021 Draft Policy Initiatives Roadmap.

In comments in response to the Maximum Import Capability (“MIC”) Stabilization and Multi-Year Allocation initiative process, as well as in response to the 2021 Revised Draft Policy Initiatives Catalog, CMUA has repeatedly urged the CAISO to immediately open a new initiative to review the MIC construct in its entirety. CMUA continues to urge the CAISO to prioritize initiatives, such as MIC, that could improve the reliability of the grid. CMUA alerted the CAISO Board of Governors to this concern during its October Board meeting.

As stated in previous comments, CMUA members report that it is extraordinarily difficult to procure imported Resource Adequacy (“RA”) resources because of the need to also be allocated or procure a MIC allocation on the secondary market. CMUA members on the boundaries of the CAISO also report that, while the physical capability of their interties with the CAISO would support RA sales to the CAISO, MIC on these interties may restrict these sales.<sup>1</sup> The MIC construct does not accurately reflect the physical capability of interties and therefore artificially restricts RA sales to the CAISO.

In response to the outages that occurred during the August 2020 heat storm, CMUA believes the CAISO should take every opportunity to address market processes that may be impairing procurement of capacity to support reliability. The CAISO should carefully examine whether changes to the MIC methodology, or elimination of the MIC limitations altogether, could increase available RA supply and help avoid emergency system conditions within the CAISO BAA.

CMUA requests that the CAISO include a MIC initiative under the 2021 Draft Annual Plan and immediately begin to examine whether structural changes to the MIC construct could help improve the reliability of the grid.

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<sup>1</sup> See CMUA Comments on the MIC Stabilization and Multi-year Allocation Draft Final Proposal, available at <http://www.caiso.com/InitiativeDocuments/CMUAComments-MICStabilizationandMulti-yearAllocation-DraftFinalProposal.pdf>; see also CMUA Comments on the Revised Draft 2021 Policy Initiatives Catalog, available at <http://www.caiso.com/Documents/CMUAComments-2021RevisedDraftPolicyInitiativesCatalog.pdf>.