

The ISO received comments on the topics discussed at the September 20, 2021 stakeholder meeting from the following:

1. [California Community Choice Association \(CalCCA\)](#)
2. [California Department of Water Resources \(CDWR\)](#)
3. [California ISO Department of Market Monitoring \(DMM\)](#)
4. [Imperial Irrigation District \(IID\)](#)
5. [Pacific Gas & Electric \(PG&E\)](#)
6. [Six Cities](#)
7. [Southwestern Power Group \(SWPG\), Pattern Energy \(“Pattern”\) and Valley Electric Association, Inc. \(“VEA”\)](#)

Copies of the comments submitted are located on the Maximum Import Capability Enhancements webpage at:

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Maximum-import-capability-enhancements>

The following are the ISO’s responses to the comments.



1. California Community Choice Association (CalCCA) Submitted by: Shawn-Dai Linderman		
No	Comment Submitted	ISO Response
1a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal: The California Community Choice Association (CalCCA) appreciates the opportunity to submit comments on the Maximum Import Capability (MIC) Enhancements Revised Straw Proposal. CalCCA generally supports the California Independent System Operator (CAISO’s) proposal, specifically the proposal to enhance transparency to facilitate trades more easily and increase the usage of available MIC.</p>	Thank you for your support.
1b	<p>2. Provide your organization’s overall position on the draft final proposal: CalCCA supports the draft final proposal with caveats.</p>	Thank you for your support.
1c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1: CalCCA supports the CAISO’s proposal to improve transparency. The CAISO proposes to make data publicly available through a web interface identifying the most up-to-date owners of MIC allocations at the branch group level including megawatt (MW) quantity, contact, and MWs available for trade and aggregate usage by branch group level after Resource Adequacy (RA) showings are submitted. Improvements to transparency will allow for load-serving entities (LSEs) to trade MIC more easily by identifying potential entities with MIC available to trade at different locations. This should result in increased MIC trades and usage. However, if improvements to transparency do not yield the expected improvements to MIC trading, CalCCA would support the CAISO undertaking an effort to investigate and understand barriers to MIC trading and full usage.</p>	Thank you for your support.
1d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2: CalCCA has no comments at this time.</p>	
1e	<p>5. Provide your organization’s comments on the MIC Capability expansion requests topic, as described in section 5.3:</p>	

No	Comment Submitted	ISO Response
	CalCCA supports allowing LSEs or other stakeholders with “legitimate reasons” to request an increase in MIC if deliverability is available.	Thank you for your support.
1f	<p>6. Provide your organization’s comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4:</p> <p>CalCCA supports giving same-day priority in Step 13 to LSEs with existing RA contracts in proportion to the size of each requestor’s RA contract.</p>	Thank you for your support.
1g	<p>7. Provide your organization’s comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5:</p> <p>CalCCA supports the CAISO clarifying its tariff and BPM language to be consistent with the current practices of 1) using two decimal places for MIC transfers, and 2) posting quarterly trading data publicly.</p>	Thank you for your support.
1h	<p>8. Provide your organization’s comments on the other issues discussed in the proposal, as described in section 5.6:</p> <p>CalCCA supports the CAISO’s decision not to move forward with other issues discussed in previous iterations of the proposal including, developing an auction mechanism for allocating MIC, conducting deliverability studies after RA showings, releasing unused MIC, and changing the methodology for calculating MIC to include liquidity. The CAISO should move forward with the transparency, expansion, and Step 13 proposals and evaluate their effectiveness before considering additional changes to the MIC process. Improvements to transparency proposed in this initiative should result in more efficient trading and usage of MIC as discussed in 3 above.</p> <p>If these changes do not yield the expected results, the CAISO should investigate existing barriers preventing MIC trading. DMM’s comments indicate in August and September of 2019 and 2020, there were non-zero bi-lateral prices for MIC at certain branch groups on which there appeared to be unused MIC.¹ DMM correctly points out that these findings suggest there is room for improvement in the MIC process such that MIC on highly valued branch groups do not go unused. CalCCA previously expressed concern that MIC goes unused because parties have an incentive to hold onto MIC to use it for substitution to cover planned or forced outages of other RA resources.</p>	Thank you for your support.

¹ DMM Comments on Revised Straw Proposal at 2: <https://stakeholdercenter.caiso.com/Common/DownloadFile/86140bdb-a417-4106-95cf-1012df2e5c03>

No	Comment Submitted	ISO Response
	<p>Clarifications from the CAISO indicate imports can only be substituted for forced outages on other imports. Comments from DMM state that external resources have not been used for substitution purposes for the last three years, suggesting LSEs appear not to regularly hold back MIC for substitution.² Accordingly, CAISO should investigate barriers preventing MIC trading if improvements to transparency do not yield the expected results.</p>	
1i	<p>9. Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: CalCCA reiterates its support for the EIM Governing Body Classification for this initiative.</p>	<p>Thank you for your support.</p>
1j	<p>10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: CalCCA has no comments at this time.</p>	
1k	<p>11. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: CalCCA has no comments at this time.</p>	
1l	<p>12. Provide your organization’s comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: CalCCA has no comments at this time.</p>	
1m	<p>13. Provide your organization’s comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: CalCCA has no comments at this time.</p>	
1n	<p>14. Provide your organization’s comments on draft tariff language section 24.3.5 Import Capability Expansion Requests: CalCCA has no comments at this time.</p>	
1o	<p>15. Provide your organization’s comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:</p>	

² Id. at 5.

No	Comment Submitted	ISO Response
	CalCCA has no comments at this time.	
1p	16. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.2 Reporting Process for Bilateral Import Capability Transfers: CalCCA has no comments at this time.	
1q	17. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings: CalCCA has no comments at this time.	
1r	18. Additional comments on the Maximum Import Capability Enhancements draft tariff language: CalCCA has no comments at this time.	



2. California Department of Water Resources (CDWR) Submitted by: Mohan Miroula		
No	Comment Submitted	ISO Response
2a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal:</p> <p>CDWR continues to support CAISO efforts on potential improvements (in the areas of MIC calculation, allocation, and usage provisions) that maintain the fundamental principle of the MIC framework that existing ownership rights, existing transmission contracts, and pre-existing RA commitments should be recognized and respected. CDWR acknowledges that CAISO does not plan to move forward with three scope items: 1) conducting deliverability studies at the end of RA showings process, 2) incorporation of auction or market-based assignment process, and 3) recapture and release of unused MIC allocations.</p> <p>Through the stakeholder discussion on the draft final proposal it appears that more clarification would be needed in the aspect of the proposal regarding MIC expansion requests resulting in transmission upgrades to specifically explain how that aspect of the proposal will apply to the ratepayer funded transmission upgrades aspect under this initiative, and what specific items will need to be developed for the customer/third party funded upgrades in a future initiative.</p>	<p>Thank you for your support.</p> <p>Additional details will be included in the final proposal.</p>
2b	<p>2. Provide your organization’s overall position on the draft final proposal:</p> <p>Support with caveats.</p>	<p>Thank you for your support.</p>
2c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1:</p> <p>CAISO proposes to make data publicly available through a web interface (or publishing) by identifying the most- up-to-date owners of all MIC allocations at the branch group level, including:</p> <ul style="list-style-type: none"> o LSE name and LSE ID o MW quantity of MIC allocation by branch group o MW quantity available for trade by branch group – the SC will be able to change this o Contact data (name, e-mail, phone number) – the SC will be able to change this <p>The MW quantity available for trade should also include the period for which it is available. In the future, if import can substitute internal resource outages</p>	<p>The period (duration) will be included as well.</p>

No	Comment Submitted	ISO Response
	<p>(e.g., planned outages), the available MIC MW should also be able be traded for such substitutions by import resources for a less than a month period.</p> <p>CDWR supports making data publicly available through a web interface (or publishing) aggregate usage by branch group level after validation of each month ahead and year ahead RA showing. The aggregation will show 3 values: a) Total overall RA showings for all ISO internal LSEs plus totals by each branch group, b) Same data for CPUC jurisdictional LSEs, and c) Same data for non-CPUC jurisdictional LSEs.</p>	<p>Thank you for your support.</p>
2d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2:</p> <p>CDWR supports keeping the confidentiality maintained. If the aggregated data from non-CPUC jurisdictional LSEs meets the CPUC’s need of such data, aggregated data at branch group level should be provided by the CAISO which may minimize the confidentiality concerns.</p>	<p>Thank you for your support.</p>
2e	<p>5. Provide your organization’s comments on the MIC Capability expansion requests topic, as described in section 5.3:</p> <p>CDWR agrees with the CAISO proposal on expansion of MIC for the identified three legitimate reasons, customer (requesting MIC expansion) to pay for facility study for identification of upgrades if deliverability is not available, and the requester who pays for the needed upgrades without reimbursement of cost to be assigned the expanded MIC allocation.</p>	<p>Thank you for your support.</p>
2f	<p>6. Provide your organization’s comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4:</p> <p>Allocation based on the same day priority for existing RA contracts appears to be appropriate.</p>	<p>Thank you for your support.</p>
2g	<p>7. Provide your organization’s comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5:</p> <p>CDWR supports alignment of tariff and BPM.</p>	<p>Thank you for your support.</p>
2h	<p>8. Provide your organization’s comments on the other issues discussed in the proposal, as described in section 5.6:</p>	

No	Comment Submitted	ISO Response
	CDWR supports future stakeholder engagements regarding MIC.	Thank you for your support.
2i	9. Provide your organization's comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: No comments.	
2j	10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: No further comments.	
2k	11. Provide a summary of your organization's comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: Comments are shown in the following sections.	
2l	12. Provide your organization's comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: No comments.	
2m	13. Provide your organization's comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: No comments.	
2n	14. Provide your organization's comments on draft tariff language section 24.3.5 Import Capability Expansion Requests: No comments.	
2o	15. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process: CDWR supports Load Serving Entities (LSEs) with existing Resource Adequacy (RA) contracts receiving priority over other requests received on the same day. Prorated allocation among competing LSEs with RA contracts is appropriate.	Thank you for your support.
2p	16. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Reporting Process for Bilateral Import Capability Transfers: Reason for deletion of section (f) should be provided for clarification.	The reporting data required under this section has been and will continue to be publically posted on the ISO web site as such there is no need to send quarterly filings to FERC.



No	Comment Submitted	ISO Response
2q	17. Provide your organization's comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings: CDWR supports publishing aggregated usage of MIC after RA showings.	Thank you for your support.
2r	18. Additional comments on the Maximum Import Capability Enhancements draft tariff language: No further comments.	



3. California ISO Department of Market Monitoring (DMM) Submitted by: Cristy Sanada		
No	Comment Submitted	ISO Response
3a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal:</p> <p>The ISO Department of Market Monitoring (DMM) appreciates the opportunity to comment on the Maximum Import Capability (MIC) Enhancements Draft Final Proposal.³</p> <p>Given that MIC is necessary to support resource adequacy from external sources, it is important to ensure that MIC can be expanded to support future resource adequacy needs and that available MIC can be allocated among entities in a way that does not unnecessarily restrict load serving entities’ ability to contract for external capacity.</p> <p>Under the ISO’s resource adequacy framework, MIC is required for a load serving entity (LSE) to count external capacity as resource adequacy, including pseudo-tie and dynamically scheduled resources. In recent years, system capacity has become scarce in summer months and some LSEs have found it increasingly difficult and expensive to contract for additional system capacity. This year, ISO also issued several Significant Event CPM designations at the CPM soft offer cap between July and September, and continues to seek additional capacity for October on a rolling basis, indicating the ISO’s ongoing demand for additional system capacity.⁴ To the extent that an unavailability of MIC could be preventing LSEs from contracting for additional import capacity to meet system capacity needs, then there is value to enhancing MIC processes to potentially increase MIC or to better allocate MIC among LSEs.</p> <p>As noted in prior comments, DMM observed that during August and September 2019 and 2021 there were often very high bilateral prices for MIC at certain branch groups while there appeared to be MIC that was not used by LSEs to support resource adequacy contracts on those branch groups based</p>	

³ Maximum Import Capability Enhancements – Draft Final Proposal, California ISO, September 13, 2021:

<http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-MaximumImportCapabilityEnhancements.pdf>

⁴ <http://www.caiso.com/Documents/JulyandAugust2021SignificantEventandExceptionalDispatchCPMReport.pdf>

<http://www.caiso.com/Documents/CPMSignificantEvent-Intent-Solicit-DesignateCapacity-ContinuedEffort-Reminder.html>

<http://www.caiso.com/Documents/CPMSignificantEvent-Intent-Solicit-DesignateCapacity-ContinuedEffort-Reminder-082321.html>

<http://www.caiso.com/Documents/CPMSignificantEvent-Intent-Solicit-DesignateCapacity-ContinuedEffort-Reminder-092021.html>

No	Comment Submitted	ISO Response
	<p>on monthly supply plan showings.⁵ These findings indicate that there could be room to enhance the allocation and trading of MIC so that MIC at highly valued branch groups for resource adequacy contracting does not go unused. To better facilitate contracting for capacity that the CAISO, CPUC, and other LRAs are looking for, the ISO should continue to enhance MIC processes to better ensure that entities that need MIC to support resource adequacy contracts can obtain MIC to the extent it is available.</p> <p>The ISO's proposed changes in the Draft Final Proposal represent incremental enhancements to the current MIC framework.</p> <p>The ISO proposes five main enhancements to the current MIC framework in its draft final proposal. The ISO has also indicated that it is willing to take up additional topics that received stakeholder support in future policy initiatives. These changes include enhancing options for MIC expansion requests and potential changes to MIC calculations to account for differences in utilization of different branch groups for resource adequacy purposes.</p> <p>As explained below, DMM supports the five main enhancements proposed in the draft final proposal.</p>	<p>Thank you for your support.</p>
3b	<p>2. Provide your organization's overall position on the draft final proposal:</p>	
3c	<p>3. Provide your organization's comments on the improve transparency topic, as described in section 5.1:</p> <p>DMM supports the ISO's proposal to provide market participants with additional data on MIC allocations and usage in order to better facilitate trading of MIC. Releasing additional information about what entities hold MIC and how much MIC remains available for sale in yearly and monthly timeframes should provide value to help facilitate additional trading of MIC compared to today.</p>	<p>Thank you for your support.</p>
3d	<p>4. Provide your organization's comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2:</p> <p>The ISO proposes to ensure that the contractual data of non-CPUC jurisdictional LSEs is also reflected in the resource portfolio used in MIC</p>	<p>Thank you for your support.</p>

⁵ Comments on MIC Enhancements Revised Straw Proposal, DMM, August 25, 2021, p. 2:

<http://www.caiso.com/Documents/DMM-Comments-on-Maximum-Import-Capability-Enhancements-Revised-Straw-Proposal-Aug-25-2021.pdf>

No	Comment Submitted	ISO Response
	<p>expansion studies. This process enhancement appears necessary to improve the accuracy of the ISO's MIC expansion studies, helping to ensure that MIC can be increased when needed.</p>	
3e	<p>5. Provide your organization's comments on the MIC Capability expansion requests topic, as described in section 5.3:</p> <p>The ISO proposes to allow LSEs and other entities to request MIC expansions at branch groups under certain conditions. DMM supports the ISO developing a new process for entities to request MIC expansions as incremental MIC could help ensure that resources already under contract or new projects committed to serve ISO load can count for resource adequacy.</p> <p>While DMM supports the ISO allowing for MIC expansion requests, any MIC expansion resulting from this new process would be subject to existing MIC allocation rules. Therefore, the entities requesting the MIC expansions are not guaranteed to secure the MIC that was requested and approved. DMM suggests that the ISO consider allowing the requesting entities priority access to incremental MIC that results from the MIC expansion study process. Otherwise, entities may have to rely on trading with other entities for the additional MIC they requested, where bilateral trading of MIC in recent years has been an area of concern.</p>	<p>Thank you for your support.</p> <p>The ISO has proposed the same approach during the stakeholder process conducted last year regarding MIC stabilization and multi-year allocation. The overwhelming majority of stakeholders were against the proposal and wanted MIC allocations to follow more closely the fact that all LSEs pay for the Transmission Access Charge and therefore they should be allocated their fair share.</p>
3f	<p>6. Provide your organization's comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4:</p> <p>DMM also supports the ISO's proposal to adopt Six Cities' proposed enhancements to step 13 of the MIC allocation process. These changes could help ensure that MIC is allocated to entities that already have resource adequacy contracts signed, mitigating to some extent the chance that resource adequacy already under contract could be stranded because the LSE was not able to obtain MIC.</p> <p>DMM supports the ISO allocating remaining import capability at a branch group in step 13 among requesting entities based on their proportion of MIC requested, as opposed to a first-come first-served basis.</p>	<p>Thank you for your support.</p>
3g	<p>7. Provide your organization's comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5:</p>	

No	Comment Submitted	ISO Response
	<p>DMM supports the ISO's proposed Tariff and business practice manual (BPM) changes to maintain consistency with the current practice of using two decimal places for resource adequacy requirements and showings. Current tariff language pertaining to bilateral MIC trades could create some confusion about what increments MIC can be traded in today.</p>	<p>Thank you for your support.</p>
<p>3h</p>	<p>8. Provide your organization's comments on the other issues discussed in the proposal, as described in section 5.6:</p> <p>The ISO should continue to consider approaches to modifying the MIC calculation, which could potentially increase MIC on branch groups that are highly demanded or highly utilized to support resource adequacy contracts.</p> <p>As discussed in DMM's August 25 comments, between 2019 and September 2021, MIC on some branch groups has gone unused to support import resource adequacy.⁶ Additionally, there are branch groups where less than 50 percent of MIC has been used to support import resource adequacy throughout 2019 and 2021. This MIC was not used to support resource adequacy imports and was not traded bilaterally, suggesting that MIC on certain branch groups provided little value to LSEs in terms of meeting their resource adequacy requirements.</p> <p>The ISO indicated that it is willing to explore changes to the MIC calculation further, in a future MIC policy process. In the stakeholder call on September 20th the ISO suggested that it would study the impacts of the proposed set of MIC enhancements before considering further enhancements. Given the immediate need for additional resource adequacy in the near term, DMM believes that the ISO should consider additional enhancements to the MIC calculation in a second phase of MIC enhancements that would start now. To the extent that changes to the MIC calculation could facilitate additional resource adequacy contracting to address capacity needs, then further MIC enhancements should be considered immediately, rather than years from now.</p> <p>Additionally, DMM suggests the ISO consider using gross imports in the MIC calculation rather than net imports. In recent years, exports to some neighboring balancing areas have been increasing on the high load days used in MIC calculations. Under the current practice of using net imports to determine MIC, the growth in gross exports at certain interties will reduce future</p>	<p>Your additional suggestions have been noted and will be considered in future enhancements to the MIC calculation, allocation and trading processes.</p> <p>Using gross imports, in the MIC calculation, will result in unfeasible solutions, for certain branch groups, that were never studied before for either real-time solution or deliverability. Example: A branch group with 1,000 MW rating have net schedules of 800 MW import (comprise of 1,500 MW import and 700 MW export). It is unfeasible to give 1,500</p>

⁶ Comments on MIC Enhancements Revised Straw Proposal, DMM, August 25, 2021, p. 2:

<http://www.caiso.com/Documents/DMM-Comments-on-Maximum-Import-Capability-Enhancements-Revised-Straw-Proposal-Aug-25-2021.pdf>

No	Comment Submitted	ISO Response
	<p>MIC at those interties.</p> <p>Despite reductions in net imports (due to increased exports), the import capability at certain branch groups is not necessarily reduced year over year. Using gross imports in the MIC calculation instead of net imports could give a more accurate picture of the level of imports that an intertie could feasibly support. This change could also potentially mitigate the effect of reducing MIC at certain branch groups due to increased exports in prior years.</p> <p>If bilateral trading of MIC is not improved by providing additional transparency alone, then the ISO could consider further enhancements.</p> <p>While DMM believes that providing additional transparency regarding MIC allocations and usage could help facilitate more bilateral trading of MIC, LSEs may continue to hold MIC or may not offer MIC for sale. If trading and utilization of MIC is not improved by increasing transparency alone, then the ISO could consider further enhancements that could better facilitate MIC trading.</p> <p>The ISO confirmed that external capacity can only be used for resource adequacy substitution for forced outages of external capacity.⁷ An external resource shown for resource adequacy that goes on outage would already have associated MIC which could be used for substitute capacity for the resource. DMM also observed that external resources have not been not used as substitute capacity in the past three years, so it does not appear that LSEs are regularly holding back MIC for substitution purposes. It appears that there may be other more significant reasons that entities are not offering excess MIC for sale. It could be helpful for the ISO to investigate further what barriers LSEs face that may prevent them from releasing excess MIC, and to try to address those barriers directly in the near term.</p> <p>Additionally, if trading of excess MIC is not improved by adding transparency alone, then the ISO could give further consideration to proposals that would require entities to release unused MIC. The ISO could give further consideration to developing a process by which LSEs with excess MIC are required to release their unused MIC, which could guarantee that the LSE would be compensated at or above a specific price floor if another LSE procured the MIC. This could help ensure that other entities seeking MIC can have access to the excess capacity on the system, and that entities originally allocated MIC are compensated.</p>	<p>MW MIC on a 1,000 MW rated branch group. It may work if all exports are asked to have a Must Offer Obligation in the ISO markets, however even under this situation if “last year’s exporter” signs a contract in the “current year” with an internal LSE the previous “export” vanishes and the proposal results in the same unfeasible solution.</p>

⁷ ISO responses to stakeholder comments on MIC Enhancements straw proposal, May 13, 2021, p. 12:

<http://www.caiso.com/InitiativeDocuments/ISOResponsesToComments-MaximumImportCapabilityEnhancementsStrawProposal.pdf>

No	Comment Submitted	ISO Response
	<p>There could also be benefit in the ISO playing a larger role in facilitating trading of excess MIC to match counterparties. For example, under the current framework, an LSE with demand for MIC at a specific branch group may have to transact and contract with several different LSEs for their small excess MIC positions. In this case, there are potentially significant transaction costs that could present barriers to trading excess MIC. These barriers and costs may be reduced by the ISO matching counterparties instead.</p>	
3i	<p>9. Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6:</p>	
3j	<p>10. Additional comments on the Maximum Import Capability Enhancements draft final proposal:</p> <p>Potential enhancements to MIC allocation</p> <p>As an alternative to enhancing processes for trading MIC after allocations take place, the ISO could further consider enhancing MIC allocation processes up front to give more priority access to MIC to entities with resource adequacy contracts in the year-ahead timeframe.</p> <p>Currently, LSEs with existing resource adequacy contracts can lock MIC for years forward but they are generally limited to how much MIC they can reserve by their load share of total MIC. DMM understands that load share restrictions could still be limiting in terms of reserving MIC for LSEs that rely heavily on pseudo-tied or dynamically scheduled capacity to meet resource adequacy requirements, particularly for small LSEs whose share of total MIC may be very small. While new MIC expansion requests could help free up additional MIC, LSEs making such requests are still not guaranteed to be able to secure the additional requested and approved MIC if MIC expansions are subject to existing allocation rules.</p> <p>The ISO could give further consideration to allowing LSEs to nominate MIC in excess of load share in the year-ahead timeframe, and potentially transferring MIC above a LSEs’ load share between parties (i.e. LSEs with high load share to LSEs with lower load share) at a TAC-based rate.</p>	<p>Your suggestion has been noted.</p> <p>The ISO wants to clarify that an import contract must have MIC in order to count for Resource Adequacy and therefore the already signed contracts in DMM’s example are just “contracts” or “energy contracts” and not “resource adequacy contracts” because they lack MIC allocations. The correct order is to first get MIC allocations and then to lock them down (on multi-year bases if possible) with “resource adequacy contracts”.</p>
3k	<p>11. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft tariff language:</p>	

No	Comment Submitted	ISO Response
3l	12. Provide your organization's comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan:	
3m	13. Provide your organization's comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan:	
3n	14. Provide your organization's comments on draft tariff language section 24.3.5 Import Capability Expansion Requests:	
3o	15. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:	
3p	16. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Reporting Process for Bilateral Import Capability Transfers:	
3q	17. Provide your organization's comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings:	
3r	18. Additional comments on the Maximum Import Capability Enhancements draft tariff language:	



4. Imperial Irrigation District (IID) Submitted by: Sean Neil		
No	Comment Submitted	ISO Response
4a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal:</p> <p>The Imperial Irrigation District (“IID”) thanks the California Independent System Operator Corporation (“CAISO”) for the opportunity to submit comments regarding the CAISO’s Maximum Import Capability (“MIC”) Enhancements draft final proposal. IID operates a Balancing Authority Area (“BAA”) adjacent to the BAA operated by the CAISO. IID hosts numerous, renewable generating facilities within its BAA boundary, including but not limited to, geothermal and solar facilities. While IID relies on local generation to serve its customers and resource needs, many of the generating facilities that IID hosts supply the resource needs of CAISO Load-Serving Entities. As the CAISO knows, IID is critical of the CAISO MIC allocation system, in that it artificially diminishes the capacity that may be used for Resource Adequacy (“RA”) purposes at the interties. However, IID wishes to comment on enhancements in the draft final proposal that set forth steps, albeit incomplete ones, in the right direction. Accordingly, IID describes its position as to this initiative as “Oppose with caveats”.</p>	Thank you for your comments.
4b	<p>2. Provide your organization’s overall position on the draft final proposal:</p> <p>Oppose with caveats.</p>	
4c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1:</p> <p>In this stakeholder proceeding, IID has explained that it supports improved transparency in connection with MIC allocations. This includes providing up-to-date information regarding owners of MIC allocations at the branch group level. This also includes posting aggregate information on the Customer Interface for Resource Adequacy (“CIRA”) and OASIS. As a BAA that wishes to provide a hospitable business environment for the siting of generation within its boundaries, it is important that external BAAs have access to this information.</p>	Thank you for your support.
4d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2:</p>	

No	Comment Submitted	ISO Response
	<p>IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
<p>4e</p>	<p>5. Provide your organization’s comments on the MIC Capability expansion requests topic, as described in section 5.3:</p> <p>IID supports the CAISO’s proposal that owners of new transmission connecting to the CAISO grid from external BAAs or connecting into a neighboring BAA immediately adjacent to the CAISO grid be able to make a request for MIC expansion. IID would ask that the CAISO clarify in its proposal and in its Tariff language that requests for upgrades to existing expansion also be eligible to support a request for MIC expansion. As an entity in the process of upgrading existing transmission that reaches an intertie with the CAISO, IID has an interest in preserving the right to request an expansion of MIC at the appropriate intertie and branch group.</p> <p>However, IID believes the CAISO should take its proposal even a step further and allow requests for increases of MIC by branch group for existing transmission, even if transmission is not being upgraded. There are sound reasons for requesting increases of MIC, from changed operational circumstances to simply a reassessment of assumptions that may be outdated or flawed that result in a MIC branch group allocation. The CAISO should allow for flexibility to ensure that MIC is being derived in an optimal way for each branch group.</p> <p>The CAISO’s approach to MIC should be to ensure that MIC does not create unnecessary obstacles for meeting California’s renewable and carbon-free energy goals, in particular, those articulated in the 2021 SB 100 Joint Agency Report (“SB 100 Report”). As the CAISO knows, IID’s BAA hosts significant geothermal and lithium production potential. The core scenario in the SB 100 Report reflects 135 MW of geothermal. See SB 100 Report at 90. IID’s BAA also provides substantial potential to host solar and solar plus storage resources.</p>	<p>Thank you for your support.</p> <p>Any new upgrades to the existing system are eligible given they meet the rest of the requirements.</p> <p>This is the main reason the proposal is being moved forward, MIC expansions requests without any new facilities are allowed given they meet the rest of the requirements.</p>
<p>4f</p>	<p>6. Provide your organization’s comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4:</p> <p>IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	

No	Comment Submitted	ISO Response
4g	<p>7. Provide your organization’s comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4h	<p>8. Provide your organization’s comments on the other issues discussed in the proposal, as described in section 5.6: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4i	<p>9. Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4j	<p>10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4k	<p>11. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4l	<p>12. Provide your organization’s comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4m	<p>13. Provide your organization’s comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	

No	Comment Submitted	ISO Response
4n	<p>14. Provide your organization’s comments on draft tariff language section 24.3.5 Import Capability Expansion Requests: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4o	<p>15. Provide your organization’s comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4p	<p>16. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.2 Reporting Process for Bilateral Import Capability Transfers: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4q	<p>17. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	
4r	<p>18. Additional comments on the Maximum Import Capability Enhancements draft tariff language: IID does not provide comment in response to this question, but reserves the right to set forth a position in the future.</p>	



5. Pacific Gas & Electric (PG&E) Submitted by: Adeline Lassource		
No	Comment Submitted	ISO Response
5a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal: PG&E supports the implementation of the following items as proposed in the draft final proposal:</p> <ol style="list-style-type: none"> 1. Additional transparency during the allocation and trading process and especially to the ownership and usage. 2. Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio. 3. Proposed improvements to step 13 of the allocation process. 4. Clarifications and clean-up of language in the Tariff and Business Practice Manual. <p>PG&E does not oppose the implementation of the MIC Capability expansion improvements. PG&E requests additional clarification to understand the overall proposal benefit of requests for expansion of overall maximum import capability at the branch group level.</p>	Thank you for your support.
5b	<p>2. Provide your organization’s overall position on the draft final proposal: Support with caveats.</p>	Thank you for your support.
5c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1: PG&E continues to support CAISO’s proposal to improve transparency of ownership and usage during the allocation and trading process. PG&E supports CAISO’s proposal to make the following data publicly available through a web interface (or publishing):</p> <ul style="list-style-type: none"> • Identify the most up-to-date owners of all MIC allocations at the branch group level – including MW quantity, contact person and “MWs available for trade”. • Aggregate usage by branch group level after validation of each month ahead and year ahead RA showing. 	Thank you for your support.
5d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2:</p>	

No	Comment Submitted	ISO Response
	<p>PG&E supports the proposal to have the ISO collect contractual data from non-CPUC jurisdictional LSEs for inclusion into the main policy portfolio used for MIC expansion.</p>	<p>Thank you for your support.</p>
<p>5e</p>	<p>5. Provide your organization’s comments on the MIC Capability expansion requests topic, as described in section 5.3: PG&E concurs with the stakeholder comments expressed during the stakeholder call; the purpose of the proposal on MIC expansion lacks clarity. As expressed by many stakeholders it is not clear why available MIC is not automatically determined and included as an input in the TPP study. It is unclear why a request is necessary for assessment. PG&E supports the CAISO to think of a process where MIC availability could be automatically included in the TPP study. While PG&E welcomes the implementation of a request process; PG&E is concerned with the timing between an LSE request, the CAISO study, and the possible MIC expansion. Considering the current timing to conduct the TPP study and the legitimate reasons to request MIC expansion (i.e. existing RA contracts), it is not clear if any expansion request will lead to a MIC expansion. PG&E would appreciate any further clarification on the timing of the process.</p>	<p>Thank you for your support.</p> <p>Additional details will be included in the final proposal.</p>
<p>5f</p>	<p>6. Provide your organization’s comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4: PG&E supports the revision of step 13 of the MIC allocation process to give priority to existing contract on a prorated basis.</p>	<p>Thank you for your support.</p>
<p>5g</p>	<p>7. Provide your organization’s comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5: PG&E supports the CAISO’s proposal to revise the current tariff language that limits bilateral MIC transfers to MW increments to better align with the Reliability Requirements BPM requiring that all RA requirements, transactions, and showings are done to two decimal places.</p>	<p>Thank you for your support.</p>
<p>5h</p>	<p>8. Provide your organization’s comments on the other issues discussed in the proposal, as described in section 5.6: No comments.</p>	

No	Comment Submitted	ISO Response
5i	9. Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: No comments.	
5j	10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: No additional comments.	
5k	11. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: No comments.	
5l	12. Provide your organization’s comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: No comments.	
5m	13. Provide your organization’s comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: No comments.	
5n	14. Provide your organization’s comments on draft tariff language section 24.3.5 Import Capability Expansion Requests: The draft tariff language section 24.3.5 specifies that the “Import Capability expansion requests should provide the relevant information as defined in the Business Process Manual.” PG&E would welcome a draft of the BPM.	The ISO will schedule additional stakeholder calls to go over draft Tariff and draft BPM language.
5o	15. Provide your organization’s comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process: No comments.at this time.	
5p	16. Provide your organization’s comments on draft tariff language section 40.4.6.2.2 Reporting Process for Bilateral Import Capability Transfers: No comments.at this time.	
5q	17. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings:	



No	Comment Submitted	ISO Response
	No comments.at this time.	
5r	18. Additional comments on the Maximum Import Capability Enhancements draft tariff language: No additional comments.	



6. Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities) Submitted by: Margaret McNaul		
No	Comment Submitted	ISO Response
6a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal:</p> <p>The Six Cities support the Draft Final Proposal, with caveats. First, the Six Cities support the CAISO’s proposals regarding transparency. Second, the Six Cities acknowledge that the CAISO has proposed to move forward with consideration of non-CPUC jurisdictional load serving entity procurement information in conducting assessments of the adequacy of import capability. However, the CAISO’s proposal to simply collect and transfer data to the CPUC for purposes of the CPUC’s portfolio compilation as outlined in the Draft Final Proposal is not complete. The CAISO should endeavor to supplement its proposal with more specificity. Third, the Six Cities support the CAISO’s proposals on MIC expansion, but urge prompt initiation of a stakeholder initiative to address processes for entities to fund expansion of MIC. Finally, the Six Cities very much appreciate the CAISO’s changes to the allocation process for remaining import capability at Step 13 so that it will no longer be “first come first served.”</p> <p>The Six Cities have limited comments on the proposed tariff revisions, as outlined below.</p>	Thank you for your support.
6b	<p>2. Provide your organization’s overall position on the draft final proposal:</p> <p>Support with caveats. Please see the comments provided above in response to question no. 1.</p>	Thank you for your support.
6c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1:</p> <p>The Six Cities generally support the CAISO’s proposals regarding transparency.</p>	Thank you for your support.
6d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2:</p> <p>The Six Cities appreciate the CAISO’s continued acknowledgement of the need to consider data from non-CPUC jurisdictional load serving entities in its evaluation of available import capability. (See generally Draft Final Proposal at</p>	The ISO will work with non-CPUC jurisdictional LSEs and the CPUC in order to provide a commonly agreeable form of data transfer. Providing

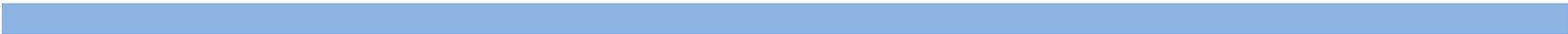
No	Comment Submitted	ISO Response
	<p>20-21.) However, the CAISO's proposal for addressing this issue – to collect information from non-CPUC jurisdictional load serving entities and transfer it to the CPUC for development of the resource portfolio that will be used by the CAISO in the Transmission Planning Process – requires further analysis and vetting. How will the CPUC account for non-jurisdictional entities' data in formation of the portfolio? Will the CPUC commit to not making changes to the as-submitted data by non-jurisdictional entities? How will any applicable confidentiality protections be preserved? Will the CPUC use the data for any other purposes? Has the CAISO initiated a dialogue with the CPUC on these topics? Is the CPUC willing to account for this information in its portfolio at all?</p> <p>In short, there are unanswered questions regarding this element of the CAISO's proposal, and the Six Cities request that the CAISO either elaborate on its contemplated process for working with the CPUC to undertake development of a full and complete resource portfolio that includes data for both CPUC and non-CPUC jurisdictional entities so that stakeholders may fully evaluate this process, or, alternately, commit to making appropriate adjustments to the CPUC-provided portfolio to account for non-CPUC jurisdictional information directly and describe the methodology that it will use to do so. This is an important topic that directly bears on the accuracy and completeness of the portfolio data that the CAISO uses to conduct studies relating to MIC, not to mention other aspects of transmission planning. Unfortunately, the CAISO's proposal for this topic is incomplete at this time.</p>	<p>the data is not compulsory as such parties must agree to what data and under what format it may be provided.</p>
6e	<p>5. Provide your organization's comments on the MIC Capability expansion requests topic, as described in section 5.3:</p> <p>The Six Cities generally support the CAISO's proposal to develop a process for evaluating expansion of MIC capability in response to specific requests. The Six Cities also support development of a process for customer-funded studies and upgrades to support expansion of MIC at specific branch groups and encourage the CAISO to move forward expeditiously with the development of such a process.</p> <p>More specifically, the Six Cities strongly support and appreciate the CAISO's proposal to consider requests for expansion of MIC allowances at particular branch groups and to expand MIC in response to such requests when deliverability studies indicate that additional MIC can be made available utilizing existing facilities. In addition, the Six Cities support coordinating the evaluation</p>	<p>Thank you for your support.</p>

No	Comment Submitted	ISO Response
	<p>of potential increases in MIC with studies for deliverability of internal generation and the CAISO's proposal to evaluate opportunities to allow temporary increases in MIC at specific branch groups until higher queued internal generation resources become operational.</p> <p>The Six Cities support the process for allocating MIC to LSEs based on load ratio shares. The CAISO proposes to apply eligibility criteria for submitting a MIC expansion request as described at page 21 of the Draft Final Proposal, generally requiring a demonstration that the requesting entity is committed to serving load within the CAISO BAA. The Six Cities agree with the application of reasonable eligibility criteria to support submission of a request to expand MIC at a particular branch group and also agree that such criteria should aim to ensure that any MIC expansion approved in response to the request is used to enable increased RA imports into the CAISO BAA for the benefit of CAISO load.</p> <p>The Six Cities support development of a process to enable requesting entities to fund facilities studies and upgrades to support increases in MIC. The Six Cities understand that the CAISO intends to address this in a future stakeholder process, although there appeared to be some confusion based on the previously submitted comments and during the stakeholder meeting concerning the scope of that future process versus the policy changes being adopted here. To the extent that future expansion requests will be subject to a future stakeholder process, given the importance of import resources to the CAISO BAA and the increasing tightness of the RA market, the CAISO should prioritize development of such a process and proceed as expeditiously as possible.</p>	<p>The ISO will provide additional details in the final proposal and the draft BPM language.</p>
6f	<p>6. Provide your organization's comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4:</p> <p>The Six Cities acknowledge and appreciate the CAISO's change to the prior proposal for this topic to remove the "first come, first served" priority for the changes in the Step 13 allocation. The Six Cities believe that the proposed approach is significantly more workable for load serving entities, and the Six Cities therefore fully support this element of the proposal.</p>	<p>Thank you for your support.</p>
6g	<p>7. Provide your organization's comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5:</p>	

No	Comment Submitted	ISO Response
	<p>The Six Cities do not oppose the CAISO's conceptual proposals as outlined in section 5.5 of the Draft Final Proposal. With respect to the CAISO's proposed tariff revisions, the Six Cities do not have comments at this time, apart from limited edits to the revised language in section 40.4.6.2.1, described below. With respect to the proposed Business Practice Manual revisions, will the CAISO hold a subsequent stakeholder meeting or post the proposed revisions as a part of this initiative?</p>	<p>The ISO will schedule stakeholder calls to further discuss draft Tariff and draft BPM language.</p>
6h	<p>8. Provide your organization's comments on the other issues discussed in the proposal, as described in section 5.6: The Six Cities have no additional comments at this time.</p>	
6i	<p>9. Provide your organization's comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: The Six Cities concur in the proposed assignment of approval authority.</p>	<p>Thank you for your support.</p>
6j	<p>10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: The Six Cities have no additional comments at this time.</p>	
6k	<p>11. Provide a summary of your organization's comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: Please refer to the comments below.</p>	
6l	<p>12. Provide your organization's comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: The Six Cities do not oppose or have comments on the proposed revisions to this section.</p>	
6m	<p>13. Provide your organization's comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: The Six Cities do not oppose or have comments on the proposed revisions to this section.</p>	
6n	<p>14. Provide your organization's comments on draft tariff language section 24.3.5 Import Capability Expansion Requests:</p>	



No	Comment Submitted	ISO Response
	The Six Cities do not oppose or have comments on the proposed revisions to this section. Will the relevant Business Practice Manual provision(s) as cited in this section be made available for review?	See response to 6g above.
6o	<p>15. Provide your organization’s comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:</p> <p>The Six Cities do not have significant substantive comments on the proposed revisions to this section, but suggest the following editorial revisions:</p> <ul style="list-style-type: none"> • Third line of redlined addition: A word is missing; revise to state “branch group <u>where</u> the existing Resource Adequacy contract . . .” • Second to last line of redlined addition: A phrase is needed for clarity within the parenthetical; “divided by the Sum of MWs from all applicable contracts <u>or eligible portions of contracts</u>”. 	The ISO will propose edits to the tariff consistent with these recommendations.
6p	<p>16. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.2 Reporting Process for Bilateral Import Capability Transfers:</p> <p>The Six Cities do not oppose or have comments on the proposed revisions to this section.</p>	
6q	<p>17. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings:</p> <p>The Six Cities do not oppose or have comments on the proposed revisions to this section.</p>	
6r	<p>18. Additional comments on the Maximum Import Capability Enhancements draft tariff language:</p> <p>The Six Cities have no additional comments at this time.</p>	



7. Southwestern Power Group (SWPG), Pattern Energy (“Pattern”) and Valley Electric Association, Inc. (VEA) Submitted by: Ravi Sankaran		
No	Comment Submitted	ISO Response
7a	<p>1. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft final proposal: Southwestern Power Group (“SWPG”), Pattern Energy (“Pattern”), and Valley Electric Association, Inc. (“VEA”) (the “Joint Parties”) appreciate the opportunity to comment on the CAISO’s Draft Final Proposal and draft tariff language in the MIC Enhancements stakeholder process. Overall, the Joint Parties are supportive of the changes called for in the Draft Final Proposal, but with some important modifications to the proposed MIC expansion request process. These modifications are detailed further in the responses to Questions 5 and 14.</p>	Thank you for your support.
7b	<p>2. Provide your organization’s overall position on the draft final proposal: Supports with caveats.</p>	Thank you for your support.
7c	<p>3. Provide your organization’s comments on the improve transparency topic, as described in section 5.1: The Joint Parties agree with the CAISO DMM that while the measures CAISO has proposed are helpful, they are very likely not sufficient to make meaningful improvement to the illiquidity of the MIC market. We request that the CAISO commit to reevaluating MIC liquidity and parties’ continued holding of and failure to use MIC once the annual showings for the 2023 RA year have been made. If, consistent with DMM’s findings, the liquidity of the MIC market does not materially improve as a result of increased transparency, the Joint Parties request that CAISO entertain meaningful measures to address the MIC bilateral market inefficiency and resulting artificially constrained RA availability.</p>	The ISO has committed already in reevaluating this topic if there are not sufficient improvements in the trading especially when MIC remains unused at the same branch groups where trading is requested.
7d	<p>4. Provide your organization’s comments on the Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion topic, as described in section 5.2: The Joint Parties support CAISO’s proposal to collect RA contract data from non-CPUC jurisdictional LSEs. The Joint Parties have full confidence that the CAISO and CPUC can manage LSE confidential information by such means as aggregation of LSEs’ data and</p>	Thank you for your support.

No	Comment Submitted	ISO Response
	<p>masking of LSE-identifying information, and by not releasing individual LSE's data publicly. To the extent that individual LSE data needs to be published, the Joint Parties request utilization of a mechanism, such as redaction of commercially sensitive information, to maintain confidentiality.</p>	
7e	<p>5. Provide your organization's comments on the MIC Capability expansion requests topic, as described in section 5.3:</p> <p>The Joint Parties have the following comments regarding this section. Suggested tariff language modifications are provided in response to Question 14 further below.</p> <ol style="list-style-type: none"> 1. The Joint Parties request that the CAISO include in its proposed tariff provisions its proposed process for MIC expansion requests as described in Section 5.3 of the Draft Final Proposal. In addition, the Joint Parties recommend that MIC expansion requests be included in the criteria to justify policy-driven transmission solutions. To this end, the Joint Parties have provided proposed additional tariff language in the response to Question 14 below. 2. The CAISO should clarify that an LSE with active Pre-RA import commitment allocations may request an Import Capability Expansion for a future year when its Pre-RA allocation will no longer be in effect, but its RA contract for the resource remains in effect. For example, if an LSE has a Pre-RA allocation through the year 2025, it may request a study to start an import expansion beginning in year 2026. VEA in particular requests this because the CAISO has predicted that the MIC available at its import point, Mead, is expected to decrease once VEA's import allocation is no longer active given other uses that have arisen. (See recommended tariff revisions to 24.3.5 offered in response to Question 14, below.). Similarly, an LSE should be permitted to request an Import Capability Expansion to the extent that its import RA resources exceed its Pre-RA import commitment allocations. 3. The Draft Final Proposal and tariff language are silent on the maximum MW amount that can be requested for MIC expansion. The Joint Parties suggest capping the amount based on the size of the RA contract(s) or other import RA resources for LSEs or the size of the proposed new transmission injection. 4. The CAISO should clarify that "owners of new transmission" means "owners of proposed new transmission projects". 	<p>Correct the original intention was to allow request for MIC expansion for any future year and not just for the upcoming year.</p> <p>The ISO will consider your proposed Tariff revision.</p> <p>The ISO will not process request beyond what is justified with existing RA contracts or by the proposed new transmission.</p> <p>Your clarification will be included in the final Tariff language.</p>

No	Comment Submitted	ISO Response
7f	<p>6. Provide your organization’s comments on the Step 13 – same day priority to existing RA contracts topic, as described in section 5.4: The Joint Parties support CAISO’s latest proposal to give LSEs with RA contracts priority over other same day stakeholder requests during Step 13 of the MIC allocation process.</p>	<p>Thank you for your support.</p>
7g	<p>7. Provide your organization’s comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 5.5: The Joint Parties support this proposed change.</p>	<p>Thank you for your support.</p>
7h	<p>8. Provide your organization’s comments on the other issues discussed in the proposal, as described in section 5.6: No comments.</p>	
7i	<p>9. Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 6: This section states that the proposed MIC calculation methodology changes will require changes to the Reliability Requirements Business Process Manual (RRBPM); however, no draft changes have been posted, and the schedule does not indicate that they will be posted for comment. The Joint Parties strongly recommend that the schedule be modified to allow comments on the required RRBPM changes. For example, Section 6.1.3.5 of the RRBPM will need to be modified to accommodate the proposed MIC expansion request process. Specifically, where it states that the ISO will establish target Expanded MIC MW values for each intertie that are included in the “base case resource portfolio,” this portfolio should include the MW values from the MIC expansion requests. The Joint Parties also recommend that the CAISO be open to taking MIC expansion requests for the 2022 cycle, even before the changes have been approved by FERC. (more at answer to Question 12)</p>	<p>The ISO will schedule additional stakeholder calls to further discuss the draft Tariff and the new draft BPM language.</p>
7j	<p>10. Additional comments on the Maximum Import Capability Enhancements draft final proposal: No additional comments.</p>	

No	Comment Submitted	ISO Response
7k	<p>11. Provide a summary of your organization’s comments on the Maximum Import Capability (MIC) Enhancements draft tariff language: The Joint Parties’ comments on the draft language are limited to the language in Section 24.3.5 and addressed in the response to Question 14 below.</p>	<p>Thank you for your comments.</p>
7l	<p>12. Provide your organization’s comments on draft tariff language section 24.3.1 Inputs to the Unified Planning Assumptions and Study Plan: The Joint Parties have no objection to providing study requests in response to the Unified Planning Assumptions and Study Plan. However, given that this policy may not be effective on January 1, 2022, we would like the CAISO to provide an opportunity during 2022 for such study requests, even if the comment opportunity on the planning assumptions has passed.</p>	<p>The ISO plans to have the new Tariff and BPM language approved and ready by February 2022. The comments to the draft study plan are usually received in February-March timeframe and therefore they will be included in next year’s TPP assessment as well as the 2023 MIC calculation and the 2023 NQC deliverability study.</p>
7m	<p>13. Provide your organization’s comments on draft tariff language section 24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan: No comments.</p>	
7n	<p>14. Provide your organization’s comments on draft tariff language section 24.3.5 Import Capability Expansion Requests: The Joint Parties recommend the following changes to the draft tariff language (modified text shown by strikethrough or <u>underline</u>). Note, the Joint Parties are also including proposed modifications to section 24.4.6.6 Policy-Driven Transmission Solutions. “The following Market Participants may submit an Import Capability expansion request pursuant to Section 24.3.3(d): (a) Load Serving Entities with existing Resource Adequacy import contracts or other import Resource Adequacy resources not fully accounted for as Pre-RA Import Commitment or New Use Import Commitment <u>during the relevant study year(s) of the request;</u> (b) New transmission owners <u>Owners of proposed new transmission projects</u> connecting to the ISO grid from an external Balancing Authority Area or connecting into a neighboring Balancing Authority Area immediately adjacent to the CAISO Controlled Grid; or (c) Other Market Participants demonstrating financial commitments for serving CAISO internal load.</p>	<p>The ISO will propose edits to the tariff consistent with these recommendations.</p>

No	Comment Submitted	ISO Response
	<p><u>The maximum MW amount that can be submitted for Import Capability expansion request is equal to the MW amount of the Resource Adequacy import contract(s) or resources for part (a) or the MW amount of the proposed new transmission capacity for part (b). For part (c) the maximum MW amount would be determined by the amount of new import flows demonstrated by the Market Participant. Import Capability expansion requests should provide the relevant information as defined in the Business Process Manual.</u></p> <p><u>If some or all of the requested additional deliverability is available, the CAISO shall increase the MIC accordingly. If CAISO finds insufficient deliverability available for some or all of the requested expansion, the requestor may pay for a facility study to determine what upgrades are required to facilitate the requested MIC expansion. The CAISO shall make a determination of whether the upgrades provide sufficient economic, reliability, capacity, or policy benefits consistent with established CAISO planning criteria. If the requested upgrade is found to have sufficient economic, reliability, capacity, or policy benefits, the CAISO will move forward with the necessary projects as CAISO TAC funded transmission upgrades.”</u></p> <p>In addition, the Joint Parties recommend the following addition to the end of Section 24.4.6.6 Policy-Driven Transmission Solutions: <u>“(k) Import capability expansion requests received pursuant to Section 24.3.3(d)”</u></p> <p>It is likely that additional tariff changes will be required to achieve the objectives of the Draft Final Proposal and the Joint Parties’ comments herein. Therefore, the above modifications are not intended to be exhaustive.</p>	<p>At this time the proposal will not include customer paid facilities or studies. These items may be added later through a different stakeholder initiative that will address the customer paid framework for such studies and upgrades.</p> <p>If a transmission solution is required in order to accomplish an import capability expansion requests submitted by an LSE or the owner of a new transmission project at or near the ISO BAA boundary; then it needs to be justified through other existing means (reliability, economic or policy) in order to be paid by all ratepayers. The request by itself cannot be considered the driver of a policy-driven transmission solutions.</p>
7o	<p>15. Provide your organization’s comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process: No comments.</p>	
7p	<p>16. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.2 Reporting Process for Bilateral Import Capability Transfers: No comments.</p>	
7q	<p>17. Provide your organization’s comments on draft tariff language section 40.4.6.2.2.3 Other Import Capability Information Postings: No comments.</p>	



No	Comment Submitted	ISO Response
7r	18. Additional comments on the Maximum Import Capability Enhancements draft tariff language: No additional comments.	