

External Load Forward Scheduling Rights Process Workshop

CalCCA, PG&E, SCE, SDG&E, and Six Cities

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Disclaimer

- Contributing LSEs present principles and ideas in this document as a possible path forward
- Contributing LSEs are willing to explore additional ideas and are open to revisions
- This represents the preliminary thoughts and ideas of the contributing LSEs and should not be considered final

Problem Statement

Develop principles and provisions for access to the CAISO grid for wheel transactions and exports consistent with FERC's Open Access Transmission policy, including priority for native load requirements.

What is Open Access?

FERC Order 890 establishes open access principles including the standard that native load has priority access to the transmission system. Capacity in excess of native load needs, as available, should be offered up on an equitable and open basis. If capacity is not available to satisfy requests for firm transmission service, system upgrades must be made to accommodate requests for firm service if the customer requesting firm service commits to pay for the upgrades.

Alignment on Goals

- Durable solution that allows CAISO to reliably serve its load and provides external parties confidence that they can access transmission capacity from the CAISO during stressed system conditions
- Consistent with FERC Open-Access Principles
- Phased implementation starting in 2022

Vision For Long-Term Process

Annual Tx Service Study and Long-Term Tx Commitments

- Study accounts for native load transmission requirements over a long-term basis including Capacity Benefit Margin (CBM)
- Entities looking to procure long-term rights for Curtailment Priority (wheel throughs and exports) enter queue
- Entities must pay higher of:
 - WAC for entire length of service
 - Upgrade costs
- Entities will remain eligible for CRRs under current rules

Short-Term Tx Commitments

- Subsequent Monthly and Weekly studies can make as available transmission over those terms
- Wheel throughs or exports agree to commit to make WAC payment for entire term of service

Curtailment Priority

- Curtailment of transmission service is consistent with NERC standards
- Native load (including imports serving native load) and commitments associated with long-term transmission forward scheduling are given the highest priority

Unanswered Questions

- How will the study process fit into current CAISO transmission planning studies (e.g., Transmission Planning Process, Maximum Import Capability, Deliverability)?
- What type of products would be most useful for external parties? What durations and curtailment priorities are desired?

Suggested First Phase for 2022

- Simplified or expedited studies with assumptions on imports used by MIC and current TPP studies to estimate transmission available for curtailment priority
- Release available curtailment priority with payment of WAC for 2022 with monthly and yearly intervals (for curtailment priority equal to native load). Customer would pay for the service for the whole period reserved regardless of use.
- Implement commitment process after determination of capacity required for reliable service to native load (including a reasonable CBM)
 - If all requests for curtailment priority are not feasible, allow for prioritization based on a set of objective factors (e.g., the length of requested commitment, offer price, or historical usage)