



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 revised straw proposal that was published on March 12, 2020. 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 **April 2, 2019**.

Submitted by	Organization	Date Submitted
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Please provide your organization's overall position on the Maximum Import Capability and Multi-year Allocation revised straw proposal:

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

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 4.1. Please explain your rationale and include examples if applicable.

NCPA appreciates CAISO's commitment to honoring TORs, ETCs, and Pre-RA Contracts in this proposal. NCPA agrees that extending the sample period from two years to five years and increasing the sample size from two hours to four hours will help stabilize MIC results which will benefit LSEs' resource planning efforts.

2. Available Import Capability Multi-year Allocation Process

Please provide your organization's feedback on the available import capability multi-year allocation process topic as described in section 4.2. Please explain your rationale and include examples if applicable.

NCPA agrees with the basic principles of the proposal that multi-year allocations will help facilitate long term RA contracts and should continue to be allocated only to the LSEs that pay for the transmission.

NCPA agrees that there are pros and cons with both alternatives presented and has not taken a firm position on either at this time. NCPA agrees that Alternative 1 will provide an extra degree of certainty of MIC available for RA Contracts, however Alternative 2 will help free up MIC in cases of migrating or otherwise reduced load shares. Alternative 2 seems more true to the principle that MIC must be allocated to LSEs based on load. Further, the element of Alternative 1 that requires new long-term RA contracts to be pseudo-tied or dynamically scheduled for increased CAISO access seems like an unnecessary high burden that isn't being applied to any other Import RA resources.

As stated in Resource Adequacy Enhancements (RAE) comments NCPA firmly believes RA contracts must only specify the source Balancing Authority Area of the product in order to qualify for multi-year MIC. More rigorous standards could artificially reduce the amount of imports that can be used as RA (even if such imports can and will actually provide power to the CAISO BAA). For example, a RA import may be supplied from a system composed of multiple hydroelectric generators, which together will physically be available to support the RA import. In such case, due to the unique operating characteristics of individual resources within the system, the production of an individual resource may change over the course of a month (due to environmental requirements), but this would not reduce the ability of the system of resources to support the import.

CAISO's findings from the RAE 3rd Revised Straw Proposal indicate "that most SCs providing NRS-RA imports on RA showings are likely providing physical capacity that has been secured in advance with firm delivery capability and operating reserves" and that only "a select number of SCs may be providing NRS-RA imports that could represent speculative supply or not be backed by sufficient reserves or firm transmission necessary to support actual delivery of energy".¹ This is evidence that most RA obligations are being met and that CAISO should work with the SCs that are exhibiting the questionable behavior and correct it rather than negatively affect all LSEs.

Lastly, NCPA requests CAISO to allow extensions of Pre-RA Contracts to continue to receive grandfathering treatment and that only truly "new" contracts be subject to the

¹ RAE 3rd Revised Straw Proposal p.59

new provisions. Subjecting renewed Pre-RA Contracts to the excessive requirements proposed for new contracts could also artificially disqualify historically reliable imports from the market which will drive up scarcity and prices, thus unduly harming LSEs and their ratepayers.

Additional comments

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