



California ISO

Maximum Import Capability Enhancements Final Proposal

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Stakeholder Call

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Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.

Instructions for raising your hand to ask a question

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- If you need technical assistance during the meeting, please send a chat to the event producer.
- Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to the meeting host – Isabella Nicosia.

CAISO Policy Initiative Stakeholder Process

PROPOSAL DEVELOPMENT

Issue paper and working groups

- ↳ Straw proposal
- » Draft final proposal
- » Draft business requirement specification
- » Draft tariff and business practice manual revisions

Final proposal

DECISION

- ISO Board
- EIM Governing Body
- Tariff filing
- FERC

IMPLEMENTATION

- Business practice manual
- Training
- Market simulation
- Go Live

 Stakeholder input

We are here

This represents the typical process, and often stages of the process run in parallel.

Agenda

- Introduction, references and purpose of stakeholder initiative
- Stakeholder comments received after the Draft Final Proposal
- Improving transparency
- Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio
- Maximum Import Capability expansion requests
- Step 13 - Give priority to existing RA contracts
- Tariff and Reliability Requirements BPM alignment of terms
- Open Discussion
- Initiative schedule

Introduction

Maximum Import Capability (MIC)

- Represents a quantity in MWs determined by the CAISO to be simultaneously deliverable to the aggregate of load in the CAISO Balancing Authority Area (BAA).
- ISO tests both the deliverability of internal resources and the deliverability of imports, to ensure all Resource Adequacy (RA) resources are simultaneously deliverable.
- Load Serving Entities (LSEs) RA import showings are limited for each intertie to its share of MIC.
- Calculated yearly by the ISO.
- Allocated yearly by the ISO to LSEs.

References:

ISO Tariff Section 40.4.6.2:

<http://www.caiso.com/Documents/Section40-ResourceAdequacyDemonstration-SCs-CAISOBAA-asof-Sep28-2019.pdf>

Reliability Requirements BPM section 6.1.3.5 & Exhibit A-3:

<https://bpmcm.caiso.com/BPM%20Document%20Library/Reliability%20Requirements/BPM%20for%20Reliability%20Requirements%20Version%2045.docx>

Purpose of stakeholder initiative

- Explore and discuss stakeholder concerns and suggested improvements to either the calculation, allocation, trading or tracking of MIC during the RA process.
- In order to be implemented in the 2023 RA year it requires FERC approval of new Tariff along with BPM changes by February 1, 2022. (Driven by MIC expansion requests.)

Stakeholder Comments regarding the Draft Final Proposal

- After the September 20 stakeholder call regarding the Draft Final Proposal the ISO has received 7 sets of stakeholder comments (some on behalf of multiple stakeholders).
- Comments received showed overwhelming stakeholder support.
- Most concerns relate to details regarding MIC expansion requests, addressed by the ISO in the final proposal.
- Based on the comments received ISO will move forward with all 5 items as described herein.

Improving transparency

Making the following data publically available through a web interface (or publishing):

1. Identifying the most-up-to-date owners of all MIC allocations at the branch group level (including total MW quantity, term of held allocations, contact person, “MWs available for trade”, etc.). This improvement will be facilitated directly in Customer Interface for Resource Adequacy (CIRA) and will be published in OASIS.
2. Provide aggregate usage by branch group level after validation of each month ahead and year ahead RA showing. Includes total aggregation for all LSEs as well as aggregation for CPUC and Non-CPUC jurisdictional LSEs.

Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion

- Discrepancy between macroeconomic and renewable information data to estimate future contractual development vs. actual contracts signed by LSEs.
- ISO to collect contractual data from non-CPUC jurisdictional LSEs willing to share.
- Due to confidentiality concerns raised the ISO will work with CPUC and non-CPUC jurisdictional LSEs to agree on a format that is both useful to the CPUC and assures the level of confidentiality agreed upon by non-CPUC jurisdictional LSEs.

MIC expansion requests

- Stakeholders with legitimate reasons will be allowed to make such requests for MIC expansion:
 - Existing RA import contract (internal LSEs) – not already used as Pre-RA Import Commitment or New Use Import Commitment.
 - Owners of new transmission connecting to the ISO grid from an external Balancing Authority Area (BAA) or connecting into the neighboring BAA immediately adjacent to the ISO grid.
 - Other stakeholders that can contractually demonstrate financial commitments towards serving ISO internal load.
- The request to study a potential MIC increase does not convey any special rights during market scheduling, market operation or during the annual MIC allocation process for all upgrades paid for by all ratepayers.
- The request can result in an increase in MIC if and when deliverability is available.

Process for MIC expansion requests:

- Stakeholders with legitimate reasons will submit MIC expansion request as a comment to the draft Transmission Planning Process (TPP) study plan.
 - The ISO will sum all the requests by branch group.
 - The total expansion requested value is then added to the future policy need at the same branch group.
 - The sum of the two is then compared with the Remaining Import Capability (RIC) at that branch group.
- If the sum is less or equal to RIC no expansion is needed.
 - Process stops.
- If the sum is greater than RIC expansion is required.

When expansion is required: (section 6.1.3.5 of the RR BPM)

1. Prospective RIC (sum of policy and expansion req.)
 - Based on policy portfolios + stakeholder expansion requests
2. Expanded MIC (existing + prospective)
 - “Existing” accounts for ETCs, TORs, Pre-RA Import Commitments and New Use Import Commitments
 - “Prospective” accounts for new policy driven imports and stakeholder expansion requests
 - To be modeled in next round of cluster studies
3. Clarification: stakeholder MIC expansion requests, *as a sole need*, cannot justify new transmission expansion payed by all ratepayers.

Illustrative Expanded MIC

Description	MW
Current MIC	309
Transmission Contract (“ETC” and “TOR”)	50
Pre-RA Import Commitment	120
New Use Import Commitment	30
Current RIC	109
Prospective RIC (Portfolio needs 500 MW and stakeholder expansion requests need as extra 600 MW)	1100
Expanded RIC = max (109, 1100)	1100
Preliminary Expanded MIC	1300
Expanded RIC = max (109, 1100)	1100
ETC & TOR	50
Pre-RA Import Commitment	120
New Use Import Commitment	30
Run deliverability studies to determine whether the existing transmission system can accommodate expanded MIC.	
<p>Expanded MIC = 1,300 MW</p> <p>Expansion may be done in stages among future years</p> <p>To be published in Comprehensive TPP for years 2-10</p> <p>To be modeled in next round of cluster studies</p>	

MIC expansion requests – cont.

- If deliverability is not available:
 - Request is denied
 - The original requestor(s) may choose to pay for a facility study (FS) that will specify what upgrades, including their cost, are required in order to facilitate the requested MIC expansion.
 - ISO will have the first choice to pursue upgrades, and eventually expand MIC, if it believes it is economic or in the best interest of all ratepayers and will reimburse the cost of the FS to requestor(s).
 - If the requestor(s) chooses to pay for the upgrades, without reimbursement, then the increase in MIC will be assigned to the requestor after the required facilities are in-service.
- Framework, process and rights to the customer-paid transmission upgrades, will be considered in the larger context of other current initiatives or potentially a new stakeholder initiative.

Step 13 - Give priority to existing RA contracts

ISO proposes to give “same day priority” to the step 13 unallocated Remaining Import Capability for LSEs with existing RA contracts.

- “Same day priority” would minimally slow down the annual allocation process.
- LSEs may use a Pre-RA Import Commitment or New Use Import Commitment only for MWs part that was denied the Pre-RA Import Commitment or New Use Import Commitment status.
- If two or more LSEs have RA contracts that exceed the amount left after step 12 on any given BG, then the assignment will be done based on the ratio of [(branch group MW available/total MW requested) x each individual MW request].

Tariff and Reliability Requirements BPM alignment of terms

- Update Tariff and Reliability Requirements BPM language to be consistent with current approved practice.
- All RA requirements, transactions and showings are done to two decimal places. One example is language in section 40.4.6.2.2.2 that appears to limit bilateral MIC transfers to MW increments.
- Also import allocations trading data (step 8 and after step 13) is publically posted and not sent directly to FERC (as Tariff describes).

General discussion

Initiative Schedule

- Post revised straw proposal – August 4
- Stakeholder meeting/call – August 11
- Straw proposal comments deadline – August 25
- Post Draft Final Proposal and Draft Tariff Language – September 13
- Stakeholder call – September 20
- Draft final proposal comments deadline – October 4
- Post Final Proposal – October 11
- Stakeholder call – October 18
- Board of Governors Meeting – November 3-4
- FERC filing after Board approval – Exact date TBD

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October 4, 2021
Markets

Developing an Extended Day-Ahead Market framework

By Stacey Crowley, ISO Vice President, External Affairs

The agenda for our upcoming Extended Day-Ahead Market (EDAM) Forum is set and I could not be more excited about the important conversation that will re-launch the public discussion to make EDAM a reality.

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