Resource Sufficiency Evaluation:
Zero Confidence Factor

Net Export Constraint

- Net Export ≤ RSE Eligible Supply + Non-RSE Eligible Supply x Confidence Factor (CF) – RSE Obligation – Reliability Margin
  - RSE Eligible Supply: RA + energy-only supply + pseudo tied units + dynamic tied units
  - Non-RSE Eligible Supply: economic intertie bids
  - CF: percentage of economic intertie bids to be made eligible for EDAM transfers during stressed conditions
  - RSE Obligation: demand + Imbalance Reserve (IR) requirement + Ancillary Services requirement
  - Reliability Margin: set by CAISO operators

Net Export Constraint

- Binds when total transfer exports exceeds total imports by more than the Net Export Constraint MW amount

Net Export Constraint

- Total imports: 3,000 MW

- Net Export Constraint: 2,500 MW
  - RSE Eligible Supply: 13,000 MW
  - Non-RSE Eligible Supply: 1,000 MW
  - CF: 0
  - RSE Obligation: 10,000 MW
  - Reliability Margin: 500 MW
  - $13,000 + (1,000 \times 0) - 10,000 - 500 =$ 2,500 MW

- Net Export Constraint binds at 2,500 MW

- 500 MW is made unavailable for EDAM transfers

Zero Confidence Factor

- Economic imports are highly reliable, but less than firm

- EDAM transfers are firm (i.e. equal to native load)

- A non-zero confidence factor takes non-firm economic imports and firms them up to the level of EDAM transfers
  - CAISO would receive little to no benefit for performing this market service

- This is not withholding supply from the market. This only limits economic imports for EDAM transfers, and only during stressed system conditions.
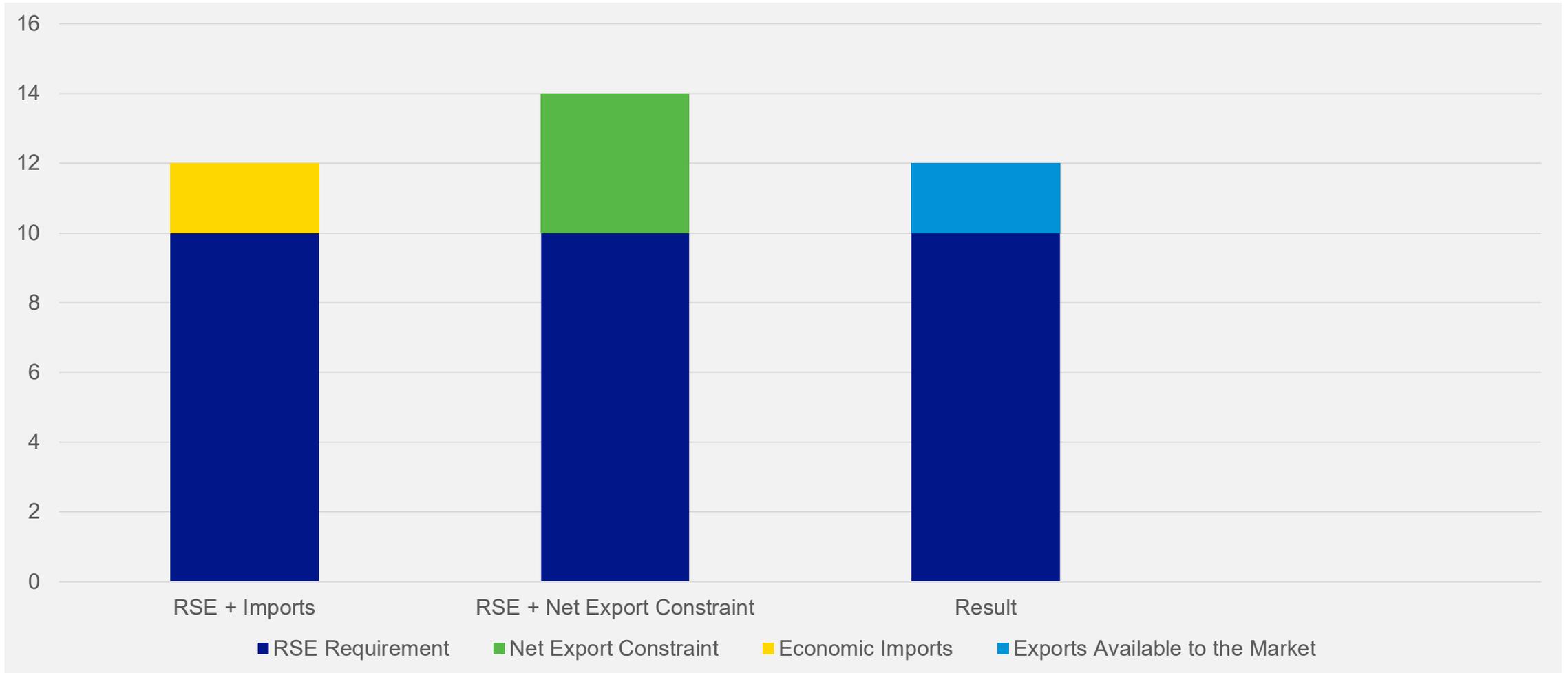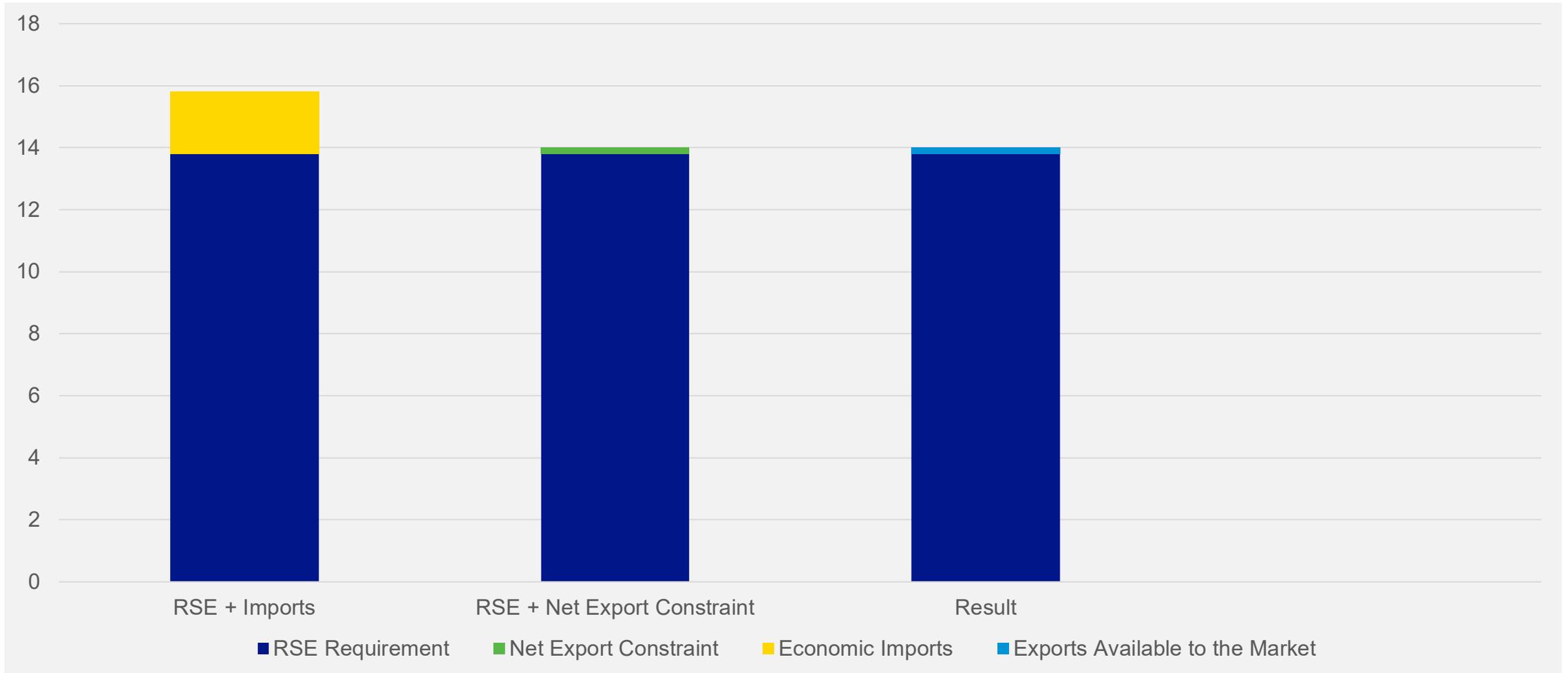
Illustration 1

Illustration 2

Illustration 3