



## 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 draft final proposal that was published on July 14, 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](mailto:regionaltransmission@caiso.com). Submissions are requested by close of business on **August 4, 2020**.

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 draft final 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 6.1. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

**Six Cities' Position:** Support with caveats.

Please provide additional details to explain your organization's position and include supporting examples if applicable:

**Six Cities' Comments:** As described in their June 12, 2020 comments on the Second Revised Straw Proposal for this initiative, the Six Cities support the concept of enhancing the stability of Maximum Import Capability ("MIC") and consider the proposal to utilize import data from the two years with the highest actual imports (when load is at or above 90% of that year's peak) among the past five years as an incremental improvement over the current methodology. As discussed in the Additional Comments section below, however, the Six Cities continue to urge the CAISO to give immediate consideration to additional modifications (1) to increase the levels of MIC that are available, wherever possible, on both a long-term and short-term basis, and (2) to develop further measures to reduce incidence of unused MIC (*i.e.*, MIC that is held by LSEs but not used to support contracts for import RA resources), also on both a long-term and short-term basis.

## 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 6.2. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

**Six Cities' Position:** Support with caveats.

Please provide additional details to explain your organization's position and include supporting examples if applicable:

**Six Cities' Comments:** As discussed in their comments, referenced above, on the Second Revised Straw Proposal, the Six Cities consider the CAISO's proposal to allow LSEs to lock in MIC allocations under certain circumstances to support multi-year RA contracts to be an incremental improvement over the existing MIC process, which fails to provide any support for multi-year RA imports (other than pre-RA commitments or RA resources delivered over Existing Transmission Contracts or Transmission Ownership Rights). However, as discussed in the Additional Comments section below, the CAISO should develop and implement much more substantial revisions to the MIC construct so as to enhance the ability of LSEs to access import resources for RA purposes, both on a multi-year basis and for shorter terms.

### Additional comments

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

**Six Cities' Comments:** The CAISO has recognized in multiple contexts that there are increasing challenges to procurement of suitable RA resources. Although the incremental improvements to the MIC framework recommended in the Draft Final Proposal may allow for some increase in ability to contract for import RA resources, especially on a longer-term basis, limitations on the overall availability of MIC and high levels of unused MIC will

continue to impose unnecessary and unreasonable impediments to procurement of reliable and competitively priced import RA resources. Continued application of features of the MIC process that unnecessarily limit the ability to contract with otherwise qualified import RA resources both undermines system reliability and imposes unreasonable economic burdens on LSEs within the CAISO BAA.

Therefore, while the Six Cities support moving forward with the modifications described in the Draft Final Proposal, the CAISO can and should do substantially more to reform the MIC framework to facilitate procurement of reliable import RA resources on both a long-term and short-term basis. Measures to enhance long-term availability of MIC are desirable to support long-term forward resource commitments. Modifications to enhance availability of MIC on a shorter-term basis (*e.g.*, monthly or even intra-month) also would be valuable to expand the pool of resources available to resolve shorter-term RA deficiencies. The Six Cities urge the CAISO to commence a “Phase 2” MIC initiative with those objectives. The Phase 2 initiative should include (but not necessarily be limited to) consideration of potential steps (1) to increase the levels of MIC that are available, wherever possible, on both a long-term and short-term basis, while retaining the grandfathered priority for pre-RA commitments and TORs, and (2) to develop further measures to reduce incidence of unused MIC (*i.e.*, MIC that is held by LSEs but not used to support contracts for import RA resources), also on both a long-term and short-term basis. The Phase 2 initiative should commence immediately and run in parallel with continuing developments in the Resource Adequacy Enhancements initiative.