



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 issue paper that was published on December 2, 2019. 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 **December 24, 2019**.

Submitted by	Organization	Date Submitted
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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 2.1. Please explain your rationale and include examples if applicable.

Please indicate any analysis and data review that your organization believes would be helpful to review on the maximum import capability stabilization topic. Please provide details and explain your rationale for the type of data and analysis that you suggest.

In general, the Six Cities support the identified goal of this section of the Issue Paper, which is to enhance stability in the quantity of available MIC. However, the Six Cities do not agree with the CAISO's conclusion that historical usage should continue to be the basis for determining the MIC, especially without a more in-depth consideration of alternatives – for example, what is the basis for the CAISO's assertion that the current historical approach is "still appropriate" in contrast to a forward looking methodology? It is also not clear why the process for determining MIC should differ significantly from the methodologies used as part of the Transmission Planning Process and the Generator

Deliverability Assessment to evaluate deliverability (after accounting for ETC/TOR rights and pre-RA commitments). Among the goals in this initiative should be greater consistency with existing methodologies.

2. Available Import Capability Multi-year Assignment Process

Please provide your organization's feedback on the available import capability multi-year assignment process topic as described in section 2.2. Please explain your rationale and include examples if applicable.

Please indicate any analysis and data review that your organization believes would be helpful to review on the available import capability multi-year assignment process topic. Please provide details and explain your rationale for the type of data and analysis that you suggest.

The Six Cities support the CAISO's proposal to implement a multi-year MIC assignment process. The Six Cities do not necessarily concur, however, in the CAISO's comment at page 6 of the Issue Paper that a lack in year-to-year stability of MIC allocations has not been a "large concern in the past." In the Six Cities' experience, fluctuations in available MIC and/or a lack of MIC availability has increased the challenges of RA procurement.

The Six Cities also support continued allocation of MIC to LSEs and agree with this aspect of the CAISO's initiative scoping as discussed on page 5 of the Issue Paper.

Finally, as discussed on page 6 of the Issue Paper, the Six Cities support the CAISO's decision to defer consideration of an auction mechanism for MIC.

Additional comments

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

The Six Cities are concerned about MIC being allocated and then going unused by the LSEs to which it has been allocated, thereby preventing the use of that allocated MIC by others. Although the CAISO has procedures to accommodate trading or transferring MIC, it is critical that the CAISO address the potential for unutilized MIC by adopting a more formalized, mandatory process for MIC reassignment. This is especially important given the CAISO's concerns that less MIC may be available in the future due to the various factors identified in the Issue Paper. Under such a process, MIC that is not associated with a specific contract or resource being used by an LSE to meet RA needs would be released or reassigned for use by another LSE. To evaluate the need for such a process, the Six Cities request that the CAISO provide information about the extent to which all MIC is or is not fully utilized at the various interties.