

**Western Power Trading Forum on the CAISO's Maximum Import Capability Stabilization and
Multi-year Allocation Revised Straw Proposal**
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The Western Power Trading Forum

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules and transparency to facilitate transactions among market participants. The membership of WPTF and the WPTF CAISO Committee responsible for providing these comments include CAISO and EIM entities, load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities that are active participants in the California market, other regions in the West, and across the country.

Comments

WPTF appreciates the opportunity to submit these comments on the CAISO's Maximum Import Capability (MIC) Stabilization and Multi-year Allocation Revised Straw Proposal discussed on the March 19, 2020 stakeholder call. WPTF continues to be supportive of the CAISO's proposal to modify its existing one-year MIC allocation process with a multi-year allocation. While we understand that the CAISO does not envision an auction type mechanism within this initiative scope, WPTF encourages the CAISO to consider developing an auction mechanism within a subsequent stakeholder effort as it could be constructed to further enable accessibility to any unused MIC in a robust and transparent manner.

WPTF is supportive of continuing to explore the CAISO's Alternative 2 for the multi-year MIC allocation process but seeks additional discussion. Alternative 2 appears to strike an appropriate balance between providing assurance for longer-term import RA contracts while also recognizing the potential impact of load migration. One of the key concerns in prior discussions was how to best formulate the multi-year allocation process such that it appropriately considers load migration and does not result in LSEs "locking up" MIC that they no longer need. Locking up unused MIC comes at the expense of other LSEs that could more efficiently utilize the MIC in meeting its RA obligations. WPTF would also appreciate more discussion regarding how the CAISO would practically process RA contract curtailments. It seems as though it could be the case that depending on the magnitude of contracted RA MWs that need to be "curtailed", an LSE may have a different curtailment priority. It may be more efficient to allow an iterative dialogue between the CAISO and LSE at the time needed to determine which RA contract should be "curtailed" first.

WPTF is concerned with including in this initiative the proposed requirement that to lock up MIC, the contracts must be associated with pseudo-tied, dynamically scheduled, or other "resource specific" contracts. This topic is being addressed through other policy efforts

currently underway – the CPUC’s RA proceeding and the CAISO’s RA Enhancements proposal. Given the current status of those two efforts, there is the potential that this proposal element may not align with the outcome of the other two. This could create significant problems and potentially restrict the effectiveness of this policy effort. Therefore, this policy effort should not prematurely also require that the RA import contracts necessarily be resource specific.

WPTF thanks the CAISO for consideration of these comments.