

**Comments of the
California Municipal Utilities Association
on the Revised Draft 2021 Policy Initiatives Catalog**

The California Municipal Utilities Association (“CMUA”) appreciates the opportunity to submit these comments on the California Independent System Operator (“CAISO”) Revised Draft 2021 Policy Initiatives Catalog.

CMUA acknowledges that the current Maximum Import Capability (“MIC”) Stabilization and Multi-Year Allocation initiative is scheduled to go before the CAISO Board of Governors at their September 30, 2020 meeting, and has therefore been included in Section 5 (Initiatives Completed Since Previous Catalog) of the Revised Draft 2021 Policy Initiatives Catalog. While CMUA supports the proposed changes to the MIC methodology and acknowledges that the changes made in the MIC initiative are an improvement over the current methodology, CMUA urges the CAISO to immediately open a new initiative to review the MIC construct in its entirety.

As CMUA has previously stated in comments in response to the MIC initiative process, CMUA members report that it is extraordinarily difficult to procure imported Resource Adequacy (“RA”) resources because of the need to also be allocated or procure a MIC allocation on the secondary market. CMUA members on the boundaries of the CAISO also report that, while the physical capability of their interties with the CAISO would support RA sales to the CAISO, MIC on these interties may restrict these sales.¹

In light of recent events which resulted in a Stage 3 Emergency Declaration and subsequent power outages, CMUA urges the CAISO to prioritize initiatives that could improve the reliability of the grid. The MIC construct does not accurately reflect the physical capability of interties and therefore artificially restricts RA sales to the CAISO. The CAISO should carefully examine whether changes to the MIC methodology, or elimination of the MIC limitations altogether, could increase available RA supply, and therefore result in additional supply and increased reliability.

CMUA requests that the CAISO include a new MIC initiative under Section 6 Initiatives Currently Underway and Planned, and immediately begin to examine whether structural changes to the MIC construct could help improve the reliability of the grid.

¹ See CMUA Comments on the MIC Stabilization and Multi-year Allocation Draft Final Proposal, available at <http://www.caiso.com/InitiativeDocuments/CMUAComments-MICStabilizationandMulti-yearAllocation-DraftFinalProposal.pdf>.