The ISO received comments on the topics discussed at the December 10, 2019 stakeholder meeting from the following:

1. California Department of Water Resources (CDWR)
2. California Public Utilities Commission – Energy Division Staff (CPUC-Energy Division Staff)
3. Pacific Gas & Electric (PG&E)
4. Powerex Corp.
5. Sacramento Municipal Utility District (SMUD)
6. Six Cities
7. Southern California Edison (SCE)
8. Western Power Trading Forum (WPTF)

Copies of the comments submitted are located on the Maximum Import Capability Stabilization and Multi-year Allocation webpage at:
http://www.caiso.com/StakeholderProcesses/Maximum-import-capability-stabilization-multi-year-allocation

The following are the ISO's responses to the comments.

1. California Department of Water Resources (CDWR) Submitted by:		
No	**Comment Submitted**	**CAISO Response**
1a	**1. Maximum Import Capability Stabilization** As the current method of calculating maximum import capability (MIC) is based on historical data (net schedule over interties in 2 hours when at least 90% of system peak load occurs during last 2 years), the MIC value calculated depends on the historical import values. As CAISO notes, the last 2 dry hydro years and retirement of resources could impact MIC value significantly for the future years. In order to prevent declining MIC values, how calculation of MIC can be modified is a question to be addressed. Interties' physical capability to import may be a better option than historical net schedules. Example: Intertie physical capacity = 500 MW; Historical maximum import over the intertie based on the current method of MIC = 350 MW. Based on current method, MIC = 350 MW MIC based on physical capability = 500 MW MIC calculated based on physical capability could stabilize the MIC values unless the physical capability is increased or decreased.	For two reasons the ISO may not use the physical capability of each intertie as a stabilization method. First, the total of physical capability for all the interties is around 44,400 MW and it is not feasible to deliver all of them simultaneously to the aggregate of ISO load. Currently the California Simultaneous Import (CASI) operating procedure 6150 limits the net imports to 12,800 MW. Second, there is an interaction between the deliverability of imports (MIC) and the deliverability of internal generators; therefore, the ISO does not want to maintain import deliverability at the expense of internal resources if unused for extensive periods.
1b	**2. Available Import Capability Multi-year Assignment Process** Currently, CAISO assigns the total Available Import Capability on an annual basis for a one-year term to LSE SCs serving Load in CAISO's BAA through the 13-step allocation process detailed in the CAISO tariff. Following the 13-step Available Import Capability allocation process, LSEs can bilaterally trade their assigned Import Capability with other entities. This trading opportunity is detailed in the CAISO tariff, Section 40.4.6.2.2, Bilateral Import Capability Transfers and Registration Process. The CAISO notes that the current annual assignment process helps to facilitate the procurement of previously installed and available resources outside of the CAISO BAA elsewhere in WECC otherwise not committed to other BAAs. However, the current process may be a barrier to the development of new external resources since new builds require multi-year contracts for financing. This potential barrier is the fact that the current annual process does not provide LSEs with certainty that they would	Thank you for your suggestion, ISO has included something similar in straw proposal.

No	Comment Submitted	CAISO Response
	retain the same amount of RA import allocation on any particular intertie year over year. As a solution, ISO could allocate some portion of MIC (always preserving ETC, TORs, and Pre-RA commitments) to new resources outside CAISO BAA and / or load serving entities (LSE) that need import allocations for RA prorata share of MW capacity of import under RA contract. Example: Remaining Import Capability - less all ETC, TOR, Pre-RA commitments = 300 MW Supplier (new generation outside BAA) providing RA contract MW from outside BAA = 100 MW LSE RA import from outside BAA= 200 MW Prorata share allocation would be: Import allocation to supplier (new generation outside BAA) = 100 MW Import allocation to LSE importing RA = 200 MW	
1c	**Additional comments** Any changes made to the allocation process should retain the Pre-RA commitment allocation to LSEs.	Thank you for your suggestion.

2. California Public Utilities Commission – Energy Division Staff (CPUC-ED Staff) Submitted by: Nick Dahlberg		
No	**Comment Submitted**	**CAISO Response**
2a	**1. Maximum Import Capability Stabilization** Staff shares CAISO's concern that the MIC calculation can be significantly affected by factors that do not relate directly to available import capacity – such as out-of-state hydro availability and out-of-state resource retirements – and looks forward to discussing proposals for stabilizing MIC values across years. Staff does not have specific proposals at this time but notes that performing MIC calculations using more years or more hours per year, as CAISO suggested on the December 11, 2019 stakeholder call, is a good starting point for discussion and comparison. To that end, staff would find it helpful if CAISO analyzed how MIC values might have varied over the past few years if more years or more hours per year had been included.	Additional analyses are included in the straw proposal.
	CAISO notes in the Issue Paper that it would like to provide for MIC stabilization "without maintaining unused deliverability on the interties for excessively long periods." Staff understands this concern, though staff is not convinced that there is a more equitable process for allocating MIC than by using Load Serving Entities' (LSE) load ratio share and argues that a solution should maintain this allocation process while enhancing opportunities for trade. To better understand the issue of unused deliverability, staff would find it helpful if CAISO analyzed how much MIC was left unused in peak months over the past few years. It would also be beneficial to understand whether (and how much of) the unused MIC is associated with certain interties and whether these interties (scheduling points) are somehow more difficult to contract at. Finally, to understand how closely MIC allocations align with real-time imports from RA import resources, staff would find it helpful to understand the portion of real-time imports represented by RA import resources during the hours used to calculate MIC over the past few years, as well as whether the hours used to calculate MIC coincided with the peak hours for real time RA imports in those years.	Thank you for your suggestions.
2b	**2. Available Import Capability Multi-year Assignment Process** CAISO states that it would like to implement a multi-year assignment process that "could facilitate long-term contracting (minimum 3-years) and encourage building of new resources dedicated to LSEs that serve load inside the CAISO BAA." Staff would like to understand whether CAISO is specifically referring to	ISO's intention was to assure that new resources outside the ISO could be contracted for RA and reserved for use by the ISO internal LSEs. The form of the contract was not a direct concern of to the ISO;

No	Comment Submitted	CAISO Response
	Pseudo-Ties and Dynamically Scheduled System Resources in this statement. If so, staff agrees that this could be a benefit of multi-year MIC allocations, and it might also justify "maintaining unused deliverability" (see Section 1 above) in the MIC process. Staff also notes that with a robust system for trading, it may not be necessary to "reserve some MIC in future years for the potential that new LSEs are established."	however, the ISO would prefer resource specific resources (including Pseudo-ties and Dynamic Scheduled System Resources).
	As noted in Section 1 above, staff agrees with CAISO that the principle of assigning capability to LSEs should remain unchanged "because those LSEs and their customers pay for the transmission system and should receive the benefits from it and have the ability to select which exeternal resources are procured and relied upon as part of RA capacity portfolios." Accordingly, staff does not believe that an auction process should replace allocation to LSEs and agrees with CAISO that an auction is out of the scope of the current initiative.	Thank you for your suggestion.

3. Pacific Gas & Electric (PG&E) Submitted by: Paulo Amaral		
No	**Comment Submitted**	**CAISO Response**
3a	1. PG&E requests a more complete discussion of the Maximum Import Capability and its prospective role in a renewed resource adequacy program. The CAISO frames the objectives of the MIC in terms of simultaneous deliverability to aggregate CAISO load. However, the MIC has also been discussed in other venues as a proxy for determining external capacity available to serve CAISO load. PG&E asks that the CAISO provide a more complete discussion of 1) its historical purpose and role in the resource adequacy (RA) program; 2) its continued relevance to the RA program, particularly – from a capacity perspective – with import RA contracts being both resource-specific and non-resource specific; 3) how it accommodates non-CAISO load; and 3) its relationship to other elements of the RA program as outlined in RA Enhancements. Additionally, the CAISO should affirm that it will be proposing multi-year RA requirements for all Load Serving Entities (LSEs) operating in the CAISO balancing area. PG&E stresses that the CAISO should coordinate and harmonize with the California Public Utilities Commission and proceed in concert with its rules for import RA.	The ISO is open to further discuss the PG&E proposed topics in the next stakeholder meeting. The ISO is not currently proposing multi-year RA requirements for all LSEs in the ISO. Please bring this topic up during the RA enhancements stakeholder process. The "Maximum import capability stabilization and multi-year allocation process" does not impose new requirements on the LSEs. Today LSE are not required to use RA import allocations.
3b	2. Assuming the continued importance of the Maximum Import Capability in its current form, PG&E supports the CAISO's efforts to review and improve its calculation. Assuming the continued importance of the MIC, PG&E supports the CAISO's efforts to review and improve its calculation. However, PG&E has some concern that a "stabilized" value could fail to reflect actual reduced capability or capacity, when appropriate. Additionally, PG&E asks how the CAISO will, specifically, conduct a multi-year allocation with a look-back approach. Insofar as the calculation of MIC remains backward looking, PG&E suggests that a calculation that incorporates a longer look back, of perhaps five years instead of the current two, is a sensible way to produce a smoothing of the values while better approximating the available import capacity.	Thank you for your suggestions; the ISO has included something similar in its draft proposal.

No	Comment Submitted	CAISO Response
3c	3. PG&E cautions against possible cross-subsidization of resources that may serve the reliability needs of other Balancing Authorities. PG&E does not oppose the multi-year allocation of import capability. However, part of the CAISO's rationale for a multi-year allocation is to encourage the building of new resources outside the CAISO balancing area dedicated to serving its load. PG&E is concerned that California will be subsidizing build-out of capacity that will serve needs of other entities in other Balancing Authorities. The CAISO should develop mechanisms that will assure capacity built outside California to support CAISO load will be available and accessible to California on the same basis RA capacity in the CAISO balancing area is available to the CAISO.	Thank you for your suggestions.
3d	4. Import capability should only be allocated to Load Serving Entities serving CAISO load. PG&E supports an allocation mechanism that does not result in cost shifting. The current mechanism of allocating MIC to LSEs serving load in the CAISO appears to be in line with that principle because load pays for the transmission system.	Thank you for your suggestion.

4. Powerex Corp. Submitted by: Mike Benn		
No	**Comment Submitted**	**CAISO Response**
4a	Powerex supports the CAISO's decision to commence a stakeholder proceeding focused on the Maximum Import Capability ("MIC") allocation process. The MIC allocation process is a core component of the Resource Adequacy ("RA") framework that directly affects the ability of California load-serving entities ("LSE") to enter into contracts with external suppliers to meet RA requirements. To the extent that an LSE is unable to obtain sufficient import capability to support the import RA contracts that it wishes to enter into, the result will be that the LSE will be left trying to meet RA requirements using internal resources that may be less cost effective than contracts with external suppliers. In light of tightening grid conditions across the west and within the CAISO grid, access to import capability is critical to ensuring that LSEs are able to access all of the capacity that they are likely to require.	The comment has been noted.
4b	Powerex is concerned that the Issue Paper fails to address the most pressing shortcoming of the existing MIC allocation framework: the current MIC allocation method is functioning in a manner that creates unnecessary barriers to California LSEs entering into RA contracts with external suppliers, even where there is ample unused import capability available to support these contracts. As Powerex has explained in detail in comments submitted in other CAISO stakeholder proceedings,1 the existing inefficient MIC allocation framework directly prevents import Resource Adequacy contracts by allocating the majority of intertie capability to the largest California LSEs, who have no obligation to use this capacity or release it to other parties. The result is that unused capacity is effectively "stranded" and unavailable to support RA commitments with other smaller LSEs and external suppliers, unless the LSE holding the intertie capability voluntarily elects to sell this capability to another market participant. Powerex believes that waiting to address the inefficiencies of the existing MIC allocation framework while CAISO pursues more limited enhancements may mean that California LSEs miss the opportunity to secure long-term commitments of capacity and flexibility from the most efficient and cost-effective resources available, as a greater portion of the capacity and flexibility in external markets is committed on a long-term basis to serve the needs of other regions. In fact, extending the current MIC allocation approach to multiple years	The ISO is not proposing to take away the year ahead MIC allocation from any LSEs, even if unused, because the ISO does not see a feasible way to do so. In the year ahead time frame the LSE only need to make showings for 90% of their summer months requirements; another 10% needs to be procured before the month ahead showings are due. Therefore, it is only logical to allow the receiving LSEs time to do the additional procurement, including imports until the month ahead showings. Once the month ahead showings are in, there is really no opportunity to redistribute the unused allocations since at the T-45 days all LSEs have to be already compliant. The ISO has included in its straw proposal that the multi-year RA allocations not used (locked down through contracts) by an LSE will be redistributed to all LSEs.

No	Comment Submitted	CAISO Response
	is likely to have the effect of worsening this problem unless other improvements are implemented in tandem.	
4c	Powerex emphasizes that it supports the core objective of the MIC allocation process: to ensure that the quantity of import RA at a given intertie does not exceed the quantity of energy that can be delivered on that intertie. Powerex also agrees with the principle that the entities that fund the costs associated with intertie facilities should receive the benefits of those investments. But achieving these benefits does not require a structure that results in large quantities of intertie capability being effectively stranded to the detriment of California LSEs, suppliers, and, ultimately, California ratepayers. To the contrary, Powerex believes that there are numerous frameworks that could be implemented that would eliminate the shortcomings of the existing MIC framework. Powerex believes that CAISO should consider several guiding principles when designing an appropriate approach to the allocation of import capability: 1) The allocation of import capability should never impede the execution of an RA contract unless the intertie is already fully utilized to support existing RA contracts; 2) Import capability should only be allocated to LSEs upon demonstration of having secured a pending RA contract with an external supplier; and 3) Preference should be given to LSEs seeking to enter into longer-term RA transactions.	The ISO believed these could be good starting principles. In order to avoid cost shifting between LSEs, no LSE should use more than their entitlement through load share ratio unless one or more LSEs are transferring their allocations to the first LSE.
4d	Powerex believes that CAISO should use this proceeding as an opportunity to implement a new, multi-year allocation approach that can enable California LSEs to more effectively secure long-term commitments of RA capacity and flexibility from the most efficient and cost-effective resources available. This critical improvement has the potential to provide California LSEs with the import capability necessary to enter into the types of longer-term commitments that are being used by non-California LSEs that are seeking to address their own capacity and flexibility challenges associated with the retirement of fossil fueled resources and the continued growth of renewables across the west. One approach that would be consistent with the goals of the MIC allocation framework and the additional principles set out above would be to create	Thank you for your suggestions. The ISO agrees that the "request window" concept may be used to prioritize among LSE trying to lock down MIC for multi-year use. However, currently the ISO believes that it is financially fair and most likely preferred to constrain LSE on staying within their load share ratio of the total MIC allocation, while allowing them the freedom to use any unutilized portion of MIC.

No	Comment Submitted	CAISO Response
	"request windows" corresponding to various contractual lengths (e.g., 10 years, 5 years, 1 year) during which all LSEs would be given an opportunity to demonstrate that they had entered into a pending forward RA contract at a given intertie. For instance, CAISO could start by opening a window for contracts of 10 years or more, and any entity with an executed, pending RA contract would be able to request an allocation of import capability. If the contracts shown during a window did not fully utilize the capability available on an intertie, then CAISO would open windows for RA contracts shorter in duration (e.g., 5 years, 3 years, 1 year) until the applicable intertie was fully utilized with RA contracts. Only once the requested import capability exceeds the import limit at an applicable intertie would a load-ratio share be used to determine which requests would be granted, and which would be rejected. In this manner, the load ratio share allocation would be applied only once - when an intertie is fully utilized with actual RA contracts. This type of framework would achieve the key objectives of ensuring that the RA contracts at an intertie do not exceed the physical constraints of the grid while maximizing the availability of import capability to support effective and efficient RA procurement. Powerex looks forward to working with CAISO and with other stakeholders to more fully develop such a framework, and to explore other potential approaches that can also meet these objectives.	

5. Sacramento Municipal Utility District (SMUD) Submitted by: Andrew Meditz, Martha Helak and Bill Her		
No	**Comment Submitted**	**CAISO Response**
5a	1. Maximum Import Capability Stabilization SMUD supports the CAISO's effort to update its MIC allocation to maximize the import supply potential. The current MIC allocation methodology is too restrictive, as it focuses on historical usage and may underestimate the potential MIC on certain interties and it is of too short of duration (discussed further in #2, below). As a general matter, the MIC criteria should find a balance between ensuring the reliable deliveries of supply over the interties while providing for some reasonable degree of flexibility, including allowing for exceptions based on changed circumstances. In addition, import capability fluctuates monthly, and the CAISO's use of days where peak load was at least 90% of the annual system peak load overlooks shoulder seasons where more import RA may be available. SMUD recommends the CAISO develop a seasonal (or more granular) MIC that provides more flexibility.	Thank you for your suggestion.
5b	**2. Available Import Capability Multi-year Assignment Process** Providing for a multi-year MIC allocation is logical because this would more likely stimulate long term investment in resources and it aligns with the CPUC's three-year RA contracting process. Moreover, for resources which may have been taken off-line (e.g., economic "lay up"), the costs of bringing the facility back into the market may require a longer-term financial commitment than just one year. Furthermore, with a transition to a three-year MIC allocation, for efficiency, we recommend that the CAISO require an annual renomination by the LSE of its intent to use the allocated MIC capacity -- or some other mechanism to ensure the MIC is actually being utilized. Otherwise, there could be needed, but unused, MIC (for example, if a RA contract with a specific LSE expires/terminates or the RA requirement for the applicable LSE changes).	Thank you for your suggestion, the ISO has included something similar in its straw proposal.
5c	**Additional comments** The Issue Paper highlights a MIC auction mechanism as an important component of the RA market, but the CAISO has decided to defer this for a	Thank you for your suggestion. While the ISO is currently not proposing an auction, we are proposing an enhanced transparency and possibility

No	Comment Submitted	CAISO Response
	later time. While we understand that there are added complexities and challenges with implementing an auction within a short time-frame, delaying the auction mechanism could limit the effectiveness of the CAISO's MIC proposal. SMUD supports an auction, or some other transparent mechanism, to ensure available MIC can be identified and purchased or otherwise exchanged among LSEs. This becomes even more important under a three-year MIC allocation, as it would provide a way for an LSE that does not need the entire MIC allocation for the full three-year term to release any surplus for purchase or exchange with another LSE. This would likely avoid the loss of critical RA import supply and benefit the overall reliability of the grid.	to transact the allocations (including the possibility to lose them if not locked up.)

6. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities) Submitted by: Meg McNaul		
No	**Comment Submitted**	**CAISO Response**
6a	**1. Maximum Import Capability Stabilization** 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.	In 2005, through a FERC mediated technical conference call, stakeholders agreed that the best way to simultaneously stress the future imports coming into the ISO system is to use the actual schedules among branch groups as a proxy. Later the ISO expanded the methodology by testing the TPP provided portfolios and assuring that there is enough MIC to deliver imports in order to meet state and federal policy goals. Please propose an actual new methodology. The ISO is willing to change if the new method proves to be effectively better and has stakeholder agreement to that effect.
6b	**2. Available Import Capability Multi-year Assignment Process** 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.	Thank you for your support.
6c	**Additional comments** 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	Thank you for your suggestion. The ISO has proposed a reallocation of the unused multi-year MIC allocations. The ISO has not found a way to feasibly reallocate the year ahead allocations, please see response 4b above.

No	Comment Submitted	CAISO Response
	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.	

7. Southern California Edison (SCE) **Submitted by:**		
No	**Comment Submitted**	**CAISO Response**
7a	**1. Maximum Import Capability Stabilization** SCE supports development of a methodology to stabilize the MIC values. The MIC values have declined significantly from the 2014-2015 level, and it is unlikely that the values will increase and return to this level in future years without changing or improving how they are calculated today. This is an important issue that should be addressed given that the heavy reliance on imports to serve CAISO load is expected to continue. Currently the MIC is calculated based on the scheduled net import values for each intertie from the prior two years. This can create issues and artificially limit true intertie transmission capacity. While the scheduled net import values on each intertie from the past two years may represent one level of imports that the transmission system is capable of simultaneously accommodating, it does not mean the system cannot accommodate a higher level of imports, thus, those values likely do not reflect the maximum import capability that is available. SCE supports a methodology that can lead to MIC values more accurately and more closely reflecting the physical capability of the transmission system. SCE believes that a new approach should be adopted to derive MIC values. For this purpose, SCE proposes an approach as outlined below: 1. Identify the physical capability for each intertie 2. Consider expected amount of exports 3. Derive MIC values based on information obtained from Steps 1 & 2 above, i.e., MIC = physical capability + expected export SCE believes that the CAISO already possess the information of physical capability of each intertie (e.g. from transmission planning or other modeling work). The expected exports can be estimated by evaluating historical market schedules. By combining the two pieces of the information, the resulting MIC values will be the most accurate representation of what is the maximum level of imports that the transmission system can accommodate.	Thank you for your suggestion. Please see response to 1a above.

No	Comment Submitted	CAISO Response
	Under this approach, since the physical capability of interties likely will not materially change from year to year, it can address the issue of declining MIC values. In this sense, the new MIC values derived under this approach will be stabilized and protected. This approach can also accommodate new information such as transmission upgrades or significant prolonged planned maintenance work.	
7b	**2. Available Import Capability Multi-Year Assignment Process** The only multi-year RA requirements that exist presently are for local RA, for which MIC is irrelevant. While the preliminary scope of the new RA OIR (R.19-11-009) includes "[c]onsideration of whether there is a benefit in expanding multi-year forward local RA requirements to system and/or flexible resources and how to address market power with multi-year requirements", there is significant uncertainty in how this item will be addressed. For example, there are many questions that would need to be answered. These questions include, whether there will be multi-year requirements for system or flexible RA, or both; what the duration and procurement percentage for each year are; what the timeline for implementation is and whether the newly proposed flexible RA product would change that timeline; whether there will be a central procurement mechanism; etc. To address these and other questions, will likely take some time. Considering the increasing load fragmentation, a method for multi-year MIC assignment must be closely aligned with the specifics of multi-year RA system and/or flexible RA requirements, which do not exist today. Without those specifics being available, allocating MIC multi-year forward will introduce inefficiencies and risk incorrect amounts being assigned to individual LSEs, whose load can constantly change from year to year for reasons including load forecast changes as well as load migration. Therefore, SCE does not believe that the CAISO should include this item in their proposal at this time. Further, with all the complexities involved, it will likely take tremendous amount of time and the schedule of this initiative (i.e., prior to July 2020 CAISO Board of Governors meeting) does not seem feasible at this time given the lack of all necessary information to develop a multi-year MIC assignment process.	The ISO sees multiple benefits for allocating MIC on multi-year bases, regardless if CPUC or other Local Regulatory Agencies imposes a multi-year system RA requirement or not. Based on comments received herein from the CPUC, municipal entities and other market participants there seems to high interest in multi-year MIC allocations, therefore the ISO concluded that it will move forward with this initiative.

No	Comment Submitted	CAISO Response
7c	**Additional comments** SCE will provide further comments on other related items when additional information becomes available.	The comment has been noted.

8. Western Power Trading Forum (WPTF) Submitted by: Carrie Bentley – Gridwell Consulting for WPTF		
No	**Comment Submitted**	**CAISO Response**
8a	**1. Maximum Import Capability Stabilization** WPTF generally supports the CAISO's efforts to mitigate the variability in annual MIC allocations. The significant differences in allocated import capacity from year to year is problematic for forward contracting for import RA. The ability to plan based on known parameters is important for market stability and transparency. Multi-year allcoations of MIC are also necessary to facilitate compliance with the CPUC's multi-year forward RA procurement compliance requirements. WPTF requests that the CAISO provide analysis of the methodologies being considered for stabilizing the MIC allocation calculation in its next iteration.	Thank you for your support. The ISO will include technical methodologies to accomplish the scope of the initiative in the straw proposal.
8b	**2. Available Import Capability Multi-year Assignment Process** WPTF is appreciative of the CAISO's commitment to evaluate a multi-year MIC allocation. As discussed at the September CAISO Board meeting, there are significant concerns about capacity shortfalls in the not too distant future for California. In light of this, WPTF advocated for changing the MIC process from a single year allocation to a multi-year allocation. WPTF thanks the CAISO for its responsiveness to this feedback.	Thank you for your support.
8c	**Additional comments** In order to ensure a multi-year MIC allocation paradigm does in fact incent longer term contracting for import RA, the entire program should be evaluated holistically. WPTF strongly encourages the CAISO to analyze the multi-year allocation along side other design elements such as an auction process. While this does expand the initial scope of the initiative, now is the opportunity to develop an efficient and transparent tool to allocate RA import capacity to help mitigate the potential capacity shortfall.	Thank you for your suggestion.