The ISO received comments regarding draft Tariff and Business Practice Manual language discussed at the November 30, 2020 stakeholder meeting from the following:

1. Direct Energy
2. Pacific Gas & Electric (PG&E)
3. SouthWestern Power Group (SWPG)
4. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities)

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. Direct Energy Submitted by: Scott Olson		
No	**Comment Submitted**	**CAISO Response**
1a	**1. Provide a summary of your organization's comments on the draft tariff and BPM language (optional):** Direct Energy Business ("DEB") is a $4 billion Direct Energy subsidiary providing electricity and natural gas to nearly 240,000 businesses in North America. DEB performs commodity hedging and risk management functions on behalf of our retail customers as well as provides commodity solutions and market intelligence to wholesale customers like community choice aggregators (CCAs). DEB has been an Electric Service Provider (ESP) in California for many years and is active in procuring MIC and RA to serve our Direct Access (DA) load. DEB has reservations with the draft language presented in Section 40.4.6.2.2.4 due to the inconsistency it creates relative to the RA Enhancements initiative and the CPUC RA requirements for LSEs.	Your reservations to the draft Tariff language have been noted and may have been triggered by a misunderstanding of "requirements" vs "opportunity" (see 1c below).
1b	**2. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:** No comments.	
1c	**3. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Bilateral Import Capability Transfers and Registration Process and all related subsections:** The draft language for Section 40.4.6.2.2.4 includes the following (emphasis added): LSEs may reserve an import allocation for the term of the New Use Import Commitment by showing an applicable New Use Import Commitment, signed by May 15th of the applicable RA year, if the New Use Import Commitment (1) *identifies a specific resource or an aggregation of specific resources that will provide capacity or energy* and (2) meets all the requirements herein as well as those described in the appropriate Business Process Manual.	

No	Comment Submitted	CAISO Response
	In providing justification for requiring resource specific contracts to lock multi-year MIC allocations, CAISO staff stated the following in the Draft Final Proposal for Maximum Import Capability Stabilization (emphasis added): Therefore the ISO is proposing that new contracts used to lock MIC allocations to branch group should be associated with source specified import resources (either resource specific or an aggregation of specific resources). *This design is consistent with the proposed import RA rules and maintains alignment with RAE must offer obligation rules.* (Maximum Import Capability Stabilization Draft Final Proposal, p. 25)	The CAISO does NOT require load serving entities to lock in multi-year MIC allocations. Instead, the CAISO is providing an opportunity for them to lock multi-year MIC allocations.
	While the proposal to require resource specific contracts is consistent with proposed CAISO rules, neither the CPUC in the RA Docket (R.17-09-020) nor CAISO as part of the RA Enhancements program has finalized rules that would require LSEs to only use resource specific RA import contracts. Therefore, by requiring resource specific contracts to lock multi-year MIC allocations in 2021, the language in this tariff is creating a new restriction on LSEs that is currently not in place in any other CPUC or CAISO proceeding. The proposed tariff language is now creating a *misalignment* between other RA rules and should not be adopted until other proceedings adopt a similar requirement. Only by waiting on a requirement to use resource specific imports for multi-year MIC until similar requirements are adopted in other proceedings can the language of the proposal to "maintain alignment" be satisfied.	The CAISO is not proposing a new requirement, therefore it is not a further restriction on use of RA import contracts. Regardless of where Resource Adequacy Enhancements policy or CPUC rules for counting RA imports end up being for the month ahead, day ahead or real-time, through this stakeholder process the CAISO will allow only resource specific and aggregation of resource specific resources (that meet all other Tariff and BPM requirements) to have a pre-assigned reservation at a certain branch group in the year ahead timeframe.
	DEB proposes the following alternative tariff language: LSEs may reserve an import allocation for the term of the New Use Import Commitment by showing an applicable New Use Import Commitment, signed by May 15th of the applicable RA year, if the New Use Import Commitment ~~(1) identifies a specific resource or an aggregation of specific resources that will provide capacity or energy and (2)~~ meets all the requirements herein as well as those described in the appropriate Business Process Manual. *A specific resource or an aggregation of specific resources that will provide capacity or energy will be required to reserve an import allocation for the term of the New*	Since no new requirements are imposed, changes to the current proposed Tariff language are not required.

No	Comment Submitted	CAISO Response
	Use Import Commitment once a similar requirement is mandated through the RA Enhancement process and CPUC RA Rulemaking. In summary, moving forward with the resource-specific requirement would not be "consistent" with the timing of the final CAISO RA Enhancements proposal nor what the CPUC currently finds permissible for Import RA. CAISO staff instead should align this tariff language timing with the CAISO RA Enhancement work and the CPUC Import RA rules and allow non-resource specific contracts to lock multi-year MIC until the point that CAISO RA Enhancements recommendations are finalized and the CPUC requires resource-specific contracts for Import RA.	There are no new requirements imposed. The CAISO believes that RA import contracts that want a multi-year MIC reservation at a specific branch group be held to a higher standard than shorter-term RA import contracts, such as monthly, day ahead or real-time.
1d	**4. Provide your organization's comments on Appendix A – Tariff Definitions:** No comments.	
1e	**5. Provide your organization's comments on the draft BPM language section 6.1.3.7 Requirements for New Use Import Commitments in order to reserve Remaining Import Capability at the branch group level Hourly Shaping Factor:** No comments.	
1f	**6. Additional comments on the Maximum Import Capability Stabilization and Multi-Year Allocation draft tariff and BPM language:** No comments.	

2. Pacific Gas & Electric (PG&E)
Submitted by: Adeline Lassource

No	Comment Submitted	CAISO Response
2a	**1. Provide a summary of your organization's comments on the draft tariff and BPM language (optional):** PG&E provides one comment on the draft tariff language requesting CAISO to specify in the tariff language the phased approach to implementation related to the applicable contracts to lock MIC on a branch group on a multi-year basis (question 2).	Your request has been noted.
2b	**2. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:** PG&E believes that the Tariff language should reflect the phased approach to implementation related to the applicable contracts to lock MIC on a branch group on a multi-year basis. CAISO has changed this part of the proposal after the Draft Final Proposal was issued and discussed with stakeholders, proposing two phases for implementation as explained in the CAISO Board meeting memo held on September 30 and October 1st, 2020 (page 4). "Phased approach to implementation: As a first step the ISO proposes to allow only contracts for pseudo-ties and resource specific dynamic scheduled resources to be relied upon to start locking multi-year import capability at the branch group level for RA year 2022. Currently only these resources have ISO master file data that proves they are resource specific and they are also allowed to count as import RA under CPUC decision D.19-11-016. Later, potentially for RA year 2023 and beyond, other types of resource specific resources or aggregations thereof may be added through changes to the applicable business practice manual as long as they meet ISO tariff and revised business practice manual specifications."	While the CAISO has specified a phased approach to implementation at this time only the first phase pseudo-tied and dynamic scheduled RA import resources/contracts (as defined per CAISO Tariff) are to be implemented for RA year 2022 and beyond. Any additional phase(s) has (have) to be justified through an open stakeholder process and through updated BPM language. At this time the CAISO cannot commit to additional phases or their timing and therefore it considers their introduction into Tariff unnecessary. The CAISO plans to introduce a new term to define these resources in the tariff.

No	Comment Submitted	CAISO Response
	PG&E also believes the CAISO should perform and publish an assessment of the first phase allowing only contracts for pseudo-ties and resource specific dynamic scheduled resources to lock multi-year import capability at the branch group level for RA year 2022. Such an assessment should provide an overview of the import capability locked multi-year per branch group with such contracts. This assessment analysis should also be reflected in the Tariff language.	CAISO will be posting all relevant data onto its website, therefore assessment of performance should be transparent to all those interested. CAISO does not support including a specific assessment requirement in the Tariff.
2c	**3. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Bilateral Import Capability Transfers and Registration Process and all related subsections:** No comments.	
2d	**4. Provide your organization's comments on Appendix A – Tariff Definitions:** No comments.	
2e	**5. Provide your organization's comments on the draft BPM language section 6.1.3.7 Requirements for New Use Import Commitments in order to reserve Remaining Import Capability at the branch group level Hourly Shaping Factor:** No comments.	
2f	**6. Additional comments on the Maximum Import Capability Stabilization and Multi-Year Allocation draft tariff and BPM language:** No comments.	

3. SouthWestern Power Group (SWPG) Submitted by: Ellen Wolfe		
No	**Comment Submitted**	**CAISO Response**
3a	**1. Provide a summary of your organization's comments on the draft tariff and BPM language (optional):** SouthWestern Power Group (SWPG) offers a number of clarifying/clean up recommendations in accompanying files submitted with these comments. SWPG also requests a means to reconsider the 120% off peak cap, given that the SunZia-delivered NM wind peaks outside of the summer months and in excess of 120% of the summer month deliveries.	As explained during the stakeholder process, MIC is most valuable for peak load months and LSEs should not lock year-round MIC with off-peak contracts. Allowance of 120% of the summer month peak value was included because most resource specific QC variations are inside this range. An LSE can still count the rest of the available capacity in the off-peak months by either getting MIC through the regular process (without a multi-year lock) or if not available in the year ahead time frame the LSE can try to get it in the month ahead timeframe through trading (very few LSEs use high imports in the off-peak months therefore there should be higher liquidity during off-peak months).
3b	**2. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:** Please see attached mark up.	CAISO could not find any changes or comments for this section in the attached document.
3c	**3. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Bilateral Import Capability Transfers and Registration Process and all related subsections:** Please see attached mark up. Suggest "decimal places". How can one reserve a New Use Import Commitment for the applicable RA year if the contract was not signed at the time of election and rather signed in the subsequent year by May 15th? Any tariff-relevant requirements should be captured in this tariff. Otherwise this creates a tariff obligation for terms that can be changed outside of the tariff. Missing word here?	Section 40.4.6.2.2.2: CAISO will agree to change "decimal" to "decimal places". During the "Applicable Year" the LSE must have the Remaining Import Capability for all 12 months and must sign an applicable RA import contract before May 15, in order to qualify for a pre-assignment during years 2 and beyond. The CAISO plans to introduce a new term define these resources in the tariff. Correct, CAISO will add "of the" in front of "RA contract".

No	Comment Submitted	CAISO Response
	If an LSE sells part of a contract it loses the lock for the entire amount? Shouldn't they be allowed to retain the portion they are keeping? This seems a little ambiguous	CAISO believes that a contract needs to be amended in order to sell "part of a contract". Once a contract is amended it has a new signature date and is in effect is a new contract that then qualifies as a New Use Import Commitment. The CAISO will propose new language to address this ambiguity.
3d	**4. Provide your organization's comments on Appendix A – Tariff Definitions:** SWPG does not have comments on the tariff definitions although some of the drafted BPM language (namely section 6.1.3.7 seems to contradict with the definition of New Use Import Commitment).	Your concern has been noted. The CAISO asks that you raise this issue with a more specific explanation of the perceived contradiction during the BPM change management process.
3e	**5. Provide your organization's comments on the draft BPM language section 6.1.3.7 Requirements for New Use Import Commitments in order to reserve Remaining Import Capability at the branch group level Hourly Shaping Factor:** SWPG asks the CAISO to consider some means to revisit the proposed 120% summer month cap applied to non-summer months, as this cap would likely cap an LSE's ability to use MIC to get credit for NM wind deliveries. NM wind delivered over SWPG's SunZia transmission project peaks outside the summer months and can peak more than 120% of the summer month's production. A cap limited to 120% would harm the LSEs procuring NM wind by not allowing them to get long-term MIC for those non-summer months' deliveries. We ask that during the first year when the MIC lock is active the CAISO revisit this cap given actual data from dynamic transfers for RA imports to determine if some LSEs may be harmed by an inability to lock MIC sufficient to cover delivers from resources that peak outside the summer months.	See response to 3a above.
3f	**6. Additional comments on the Maximum Import Capability Stabilization and Multi-Year Allocation draft tariff and BPM language:**	

No	Comment Submitted	CAISO Response
	No comments.	

4. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities)
Submitted by: Margaret McNaul

No	Comment Submitted	CAISO Response
4a	**1. Provide a summary of your organization's comments on the draft tariff and BPM language (optional):** The Six Cities have limited comments on the draft tariff and proposed BPM language, as outlined below. Additionally, it may be constructive during the stakeholder meeting to discuss the proposed tariff and BPM revisions to spend some time walking through an example of the MIC allocation steps outlined in the tariff and BPM updates, with an emphasis on the changes in Steps 4 and 5.	Your comments and suggestions have been noted.
4b	**2. Provide your organization's comments on draft tariff language section 40.4.6.2.1 Available Import Capability Assignment Process:** As noted, detailed review of the proposed tariff revisions including, in particular, the changes in this section and an example of the MIC allocation steps would aid in understanding how the revised process will work. Additionally, and, as a matter of drafting, the Six Cities find the word "reiterate" as used in the added language for Step 5 to be confusing. As the Six Cities understand the relevant sentence, "re-perform" may be clearer.	Step 4b calculation is the same as step 4a calculation (already in use since 2007). Example for Step 5 calculation is included in the draft BPM language. The CAISO appreciates the comment and will make the suggested change.
4c	**3. Provide your organization's comments on draft tariff language section 40.4.6.2.2 Bilateral Import Capability Transfers and Registration Process and all related subsections:** First, in Section 40.6.2.2.4, the Six Cities find the choice of the word "curtailment" to be unclear – does it imply somehow curtailment of the resource associated with the MIC? Or, as the Six Cities surmise, is the reference actually meant to refer to the MIC allocation that should be reduced in the event of a reduction in Load Share Quantity? Second, the Six Cities question the CAISO's proposal that "any change in contractual terms … will result in the loss of status as New Use Import Commitment." It does not seem appropriate that changes to contactual terms that are not material to the MIC allocation should result in the loss of status;	The CAISO appreciates the comment and will make the suggested change. The CAISO will propose modifications to reference to "any change in contractual terms" to refer to specified contractual terms and/or any material modification to the electric or operational characteristics of the contract, as determined by the CAISO.

No	Comment Submitted	CAISO Response
	rather, such a restriction should really only apply to changes that would materially impact the amount, duration, or location of the MIC allocation, and not to other contract changes having no relevance to MIC. Relatedly, why does the CAISO propose to provide an exception to permit contract changes to the scheduling intertie?	The scheduling intertie can at times (rarely) be changed by no fault of either the seller or buyer. It has happened before that an intermediate transmission owner (outside the CAISO) does not have for sale a certain transmission path and it forces both parties to accept a different scheduling point.
4d	**4. Provide your organization's comments on Appendix A – Tariff Definitions:** The Six Cities have no comments on this portion of the proposed tariff revisions at this time.	
4e	**5. Provide your organization's comments on the draft BPM language section 6.1.3.7 Requirements for New Use Import Commitments in order to reserve Remaining Import Capability at the branch group level Hourly Shaping Factor:** The Six Cities have no comments on the proposed revisions to the BPM at this time, except to note that, consistent with the comment provided above regarding Section 40.4.6.2.2.4, the BPM language should be revised consistent with the Six Cities' comment on the materiality of changes to contract terms that would result in loss of New Use Import Commitment status. The Six Cities also note that the use of the word "curtailment" in this section is unclear, consistent with the comment on Section 40.4.6.2.2.4 above.	See answer to 4c above. See answer to 4c above.
4f	**6. Additional comments on the Maximum Import Capability Stabilization and Multi-Year Allocation draft tariff and BPM language:** The Six Cities have no additional comments at this time.	