



California ISO

# Maximum Import Capability Enhancements Draft Final Proposal

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Stakeholder Call

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## Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.

## New instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  above the chat window located on bottom right corner of the screen. **Note:** #2 only works if you dialed into the meeting.
- If you need technical assistance during the meeting, please send a chat to the event producer.
- Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to the meeting host – Isabella Nicosia.

# CAISO Policy Initiative Stakeholder Process



# Agenda

- Introduction, references and purpose of stakeholder initiative
- Stakeholder comments received after the Revised Straw Proposal
- Improving transparency
- Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio
- Maximum Import Capability expansion requests
- Step 13 - Give priority to existing RA contracts
- Tariff and Reliability Requirements BPM alignment of terms
- Open Discussion
- Draft Tariff Language
- Initiative schedule
- Next Steps

# Introduction

- **Maximum Import Capability (MIC)**
  - Represents a quantity in MWs determined by the CAISO to be simultaneously deliverable to the aggregate of load in the CAISO Balancing Authority Area (BAA).
  - ISO tests both the deliverability of internal resources and the deliverability of imports, to ensure all Resource Adequacy (RA) resources are simultaneously deliverable.
  - Load Serving Entities (LSEs) RA import showings are limited for each intertie to its share of MIC.
  - Calculated yearly by the ISO.
  - Allocated yearly by the ISO to LSEs.

## References:

### ISO Tariff Section 40.4.6.2:

<http://www.caiso.com/Documents/Section40-ResourceAdequacyDemonstration-SCs-CAISOBAA-asof-Sep28-2019.pdf>

### Reliability Requirements BPM section 6.1.3.5 & Exhibit A-3:

<https://bpmcm.caiso.com/BPM%20Document%20Library/Reliability%20Requirements/BPM%20for%20Reliability%20Requirements%20Version%2045.docx>

## Purpose of stakeholder initiative

- Explore and discuss stakeholder concerns and suggested improvements to either the calculation, allocation, trading or tracking of MIC during the RA process.
- In order to be implemented in the 2023 RA year it requires FERC approval of new Tariff along with BPM changes by June 1, 2022.



## Stakeholder Comments regarding the Revised Straw Proposal

- After the August 11 stakeholder call regarding the Revised Straw Proposal the ISO has received 12 sets of stakeholder comments (some on behalf of multiple stakeholders).
- Comments received are summarized in the next two slides.
- Based on the comments received ISO will:
  - Move forward with 5 items
  - Not move forward with 1 item

## Stakeholder comments align - moving forward with:

1. Additional transparency during the allocation and trading process and especially to the ownership and usage.
2. Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio.
3. Requests for expansion of overall maximum import capability and at the branch group level.
4. Proposed improvements to step 13 of the allocation process.
5. Clarifications and clean-up of language in the Tariff and Business Practice Manual.

Stakeholder comments are mostly positive however they failed to improve the technical shortcomings required for implementation:

Not moving forward with:

1. Potentially augmenting MIC calculation to account for “liquidity”.

## Improving transparency

Making the following data publically available through a web interface (or publishing):

1. Identifying the most-up-to-date owners of all MIC allocations at the branch group level (including total MW quantity, contact person, “MWs available for trade”, etc.). If possible this improvement will be facilitated directly in Customer Interface for Resource Adequacy (CIRA).
2. Provide aggregate usage by branch group level after validation of each month ahead and year ahead RA showing. Includes total aggregation for all LSEs as well as aggregation for CPUC and Non-CPUC jurisdictional LSEs.

## Inclusion of contractual data from non-CPUC jurisdictional LSEs into the policy portfolio used for MIC expansion

- Discrepancy between macroeconomic and renewable information data to estimate future contractual development vs. actual contracts signed by LSEs.
- ISO to collect contractual data from non-CPUC jurisdictional LSEs.
- ISO to make data available to the CPUC for preparation of the base portfolio.
  - LSE name
  - Contractual amount
  - Branch group
  - Expiration date
- Confidentiality concerns? Proposed alternative?

## MIC expansion requests

- Stakeholders with legitimate reasons will be allowed to make such requests for MIC expansion:
  - Existing RA import contract (internal LSEs) – not already used as Pre-RA Import Commitment or New Use Import Commitment.
  - Owners of new transmission connecting to the ISO grid from an external Balancing Authority Area (BAA) or connecting into the neighboring BAA immediately adjacent to the ISO grid.
  - Other stakeholders that can contractually demonstrate financial commitments towards serving ISO internal load.
- The request to study a potential MIC increase does not convey any special rights during market scheduling, market operation or during the annual MIC allocation process for all upgrades paid for by all ratepayers.
- The request can result in an increase in MIC if and when deliverability is available.

## MIC expansion requests – cont.

- If deliverability is not available:
  - Request is denied
  - The original requestor(s) may choose to pay for a facility study (FS) that will specify what upgrades, including their cost, are required in order to facilitate the requested MIC expansion.
  - ISO will have the first choice to pursue upgrades, and eventually expand MIC, if it believes it is economic or in the best interest of all ratepayers and will reimburse the cost of the FS to requestor(s).
  - If the requestor(s) chooses to pay for the upgrades, without reimbursement, then the increase in MIC will be assigned to the requestor after the required facilities are in-service.
- Framework, process and rights to the customer-paid transmission upgrades, will be considered in the larger context of other current initiatives or potentially a new stakeholder initiative.

## Step 13 - Give priority to existing RA contracts

ISO proposes to give “same day priority” to the step 13 unallocated Remaining Import Capability for LSEs with existing RA contracts.

- “Same day priority” would minimally slow down the annual allocation process.
- LSEs may use a Pre-RA Import Commitment or New Use Import Commitment only for MWs part that was denied the Pre-RA Import Commitment or New Use Import Commitment status.
- If two or more LSEs have RA contracts that exceed the amount left after step 12 on any given BG, then the assignment will be done based on the ratio of [(branch group MW available/total MW requested) x each individual MW request]. (An overwhelming majority of stakeholder comments were in favor of this approach vs first come first served.)



# Tariff and Reliability Requirements BPM alignment of terms

- Update Tariff and Reliability Requirements BPM language to be consistent with current approved practice.
- All RA requirements, transactions and showings are done to two decimal places. One example is language in section 40.4.6.2.2.2 that appears to limit bilateral MIC transfers to MW increments.
- Also import allocations trading data (step 8 and after step 13) is publically posted and not sent directly to FERC (as Tariff describes).

## At this time not moving forward with:

- Change in methodology of calculation MIC.
  - Positive stakeholder comments to improve the calculation by considering “liquidity” at certain branch group (hubs).
  - Could not find public data in order to quantify “liquidity”.
  - What else would be a better estimate of import resources ready to serve aggregate of load then actual energy schedules?
  - Quantity of MIC is limited and if allocation on a certain branch group is going up another may have to go down.
  - Most branch groups have already reached their deliverability limit, due to other ISO internal resources interconnecting in the same general area.

# Explore other stakeholder suggestions

## General discussion

# Draft Tariff Language

Section 24: Comprehensive Transmission Planning  
Process

Section 40: Resource Adequacy Demonstration for  
Scheduling Coordinators in the California ISO  
Balancing Authority Area

# Initiative Schedule

- Post revised straw proposal – August 4
- Stakeholder meeting/call – August 11
- Straw proposal comments deadline – August 25
- Post Draft Final Proposal and Draft Tariff Language – September 13
- Stakeholder call – September 20
- Draft final proposal comments deadline – October 4
- Post Final Proposal – October 11
- Stakeholder call – October 18
- Board of Governors Meeting – November 3-4
- FERC filing after Board approval – Exact date TBD

# Next Steps

- Comments due by end of day October 4, 2021
- Submit comments using the template provided on the initiative webpage located here:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Maximum-import-capability-enhancements>

Thank you for your participation.

# ENERGY matters

The California ISO's blog highlights its most recent news releases, and includes information about ISO issues, reports, and initiatives.



- *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news

<http://www.caiso.com/about/Pages/Blog/default.aspx>.



September 14, 2021

*Operations, Summer conditions*

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October 13, 2021 • 8:30 a.m. - 11:30 a.m.  
Free Virtual Webinar

- **Objective:** Foster a regional discussion driven by the transformational changes and opportunities developing in the west. The forum discussion will focus on how the value of optimization and coordination of grid resources can be unlocked by expanding the ISO day-ahead market to entities within the Western interconnection.
- This forum will include discussion with industry leaders, including utility representatives, policymakers, and stakeholders across the west who will share their perspectives on key concepts and principles critical to the development of an extended day-ahead market framework.
- Visit *Extended Day-Ahead Market Forum* webpage on ISO's website [here](#) to access registration link, agenda and other event details. Registration is requested by October 12, 2021.
- Questions? Send to [ISOStakeholderAffairs@caiso.com](mailto:ISOStakeholderAffairs@caiso.com)