California ISO

Stakeholder Comments Template

Maximum Import Capability Stabilization and Multi-year Allocation

This template has been created for submission of stakeholder comments on the Maximum import capability stabilization and multi-year allocation revised straw proposal that was published on March 12, 2020. The paper, stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: http://www.caiso.com/StakeholderProcesses/Maximum-import-capability-stabilization-multi-year-allocation.

Upon completion of this template, please submit it to regionaltransmission@caiso.com. Submissions are requested by close of business on **April 2, 2019**.

Submitted by	Organization	Date Submitted
Ken Kohtz	*City of Santa Clara, doing business as Silicon Valley Power (SVP)*	*April 2, 2020*

Please provide your organization's overall position on the Maximum Import Capability and Multi-year Allocation revised straw proposal:

☐ Support
☒ Support w/ caveats
☐ Oppose
☐ Oppose w/ caveats
☐ No position

Please provide your organization's comments on the following issues and questions.

1. Maximum Import Capability Stabilization

Please provide your organization's feedback on the maximum import capability stabilization topic as described in section 4.1. Please explain your rationale and include examples if applicable.

SVP supports NCPA's comments submitted on this topic.

2. Available Import Capability Multi-year Allocation Process

Please provide your organization's feedback on the available import capability multi-year allocation process topic as described in section 4.2. Please explain your rationale and include examples if applicable.

SVP supports the comments submitted by NCPA on this topic.

Further, SVP supports allowing extensions of pre-RA contracts to continue to receive grandfathering treatment. If contract extensions of Pre-RA contracts are not automatically grandfathered, SVP suggests they should at least receive priority treatment for the long-term resource allocation in Alternative 1.

Additional comments

Please offer any other feedback your organization would like to provide on the Maximum import capability stabilization and multi-year allocation revised straw proposal.

In the MIC proposal, the CAISO states that "MIC is allocated to LSEs because LSEs pay for the transmission system; thus they should receive the benefits from it and choose which external resources are ultimately selected for providing RA capacity that relies on the import capability."

While SVP agrees that MIC should be allocated to LSE's since they are the entities who ultimately pay for the transmission system, we would point out that the allocation seems to be on a share of coincident peak usage vs. total energy. LSEs currently pay for transmission based on annual MWh of usage where high load factor LSE's contribute significantly more towards the recovery of transmission costs than low load factor LSE's. The CAISO initiated a stakeholder process that resulted in a future converting of the current TAC methodology to a hybrid approach where a portion of the TRR would be recovered via a coincident peak demand charge and also a remaining volumetric based charge. To ensure LSEs receive benefits in-line with what they pay for, the MIC allocation should continue to be aligned to the methodology in which LSEs pay for transmission.