



Submit comment on Revised straw proposal

Initiative: Maximum import capability enhancements

1. Provide a summary of your organization's comments on the Maximum Import Capability (MIC) Enhancements revised straw proposal:

The California Community Choice Association (CalCCA) appreciates the opportunity to submit comments on the Maximum import capability (MIC) Enhancements Revised Straw Proposal. CalCCA generally supports the California Independent System Operator (CAISO's) proposal, specifically the proposal to enhance transparency to facilitate trades more easily and increase the usage of available MIC. CalCCA also requests the CAISO monitor and report out on the amount of MIC being locked in for long term use. These changes, coupled with the proposals contemplated in the Resource Adequacy Enhancements initiative that would replace substitution requirements and Resource Adequacy Availability Incentive Mechanism (RAAIM), will result in the efficient allocation and use of MIC.

2. Provide your organization's comments on the improve transparency topic, as described in section 4.1:

CalCCA supports the CAISO's proposal to improve transparency. The CAISO proposes to make data publicly available through a web interface identifying most up-to-date owners of MIC allocations at the branch group level including megawatt (MW) quantity, contact, and MWs available for trade and aggregate usage by branch group level after Resource Adequacy (RA) showings are submitted. Improvements to transparency will allow for load-serving entities (LSEs) to trade MIC more easily by identifying potential entities with MIC available to trade at different locations.

The Revised Straw Proposal asks whether the CAISO should aggregate of MIC usage by the California Public Utilities Commission (Commission) versus Non-Commission jurisdictional LSEs or provide a single aggregated number for all LSEs. CalCCA recommends the CAISO split the aggregation by Commission versus non-Commission jurisdictional LSEs so that if unused MIC is primarily attributable to LSEs under one group or the other, the appropriate local regulatory authority(ies) can investigate the primary causes of unused MIC for their LSEs.

In addition to providing the data proposed in the Revised Straw Proposal, the CAISO should also monitor and report out on the amount of multi-year MIC locked in by LSEs on specific branch groups. CalCCA does not take issue with the opportunity for LSEs to lock in longer-term MIC for multiple years as adopted in the MIC Stabilization and Multi-Year Allocation initiative but requests the CAISO monitor and report out on how much MIC is being locked in for multiple years to ensure adequate short-term MIC is also available. If in the future significant portions of MIC are locked in many years forward (including evergreen contracts), it could create challenges for LSEs year-long import contracts looking to secure MIC. The CAISO should monitor and report out on the amount multi-year MIC so stakeholders are aware of the amount of MIC that is locked in for future years.

3. Provide your organization's comments on the education regarding deliverability of imports and internal resources topic, as described in section 4.2:

No comments at this time.

4. Provide your organization's comments on the MIC Capability expansion topic, as described in section 4.3:

No comments at this time.

5. Provide your organization's comments on the Step 13 - give priority to existing RA contracts topic, as described in section 4.4:

No comments at this time.

6. Provide your organization's comments on the Tariff and Reliability Requirements BPM alignment of terms topic, as described in section 4.5:

No comments at this time.

7. Provide your organization's comments on other issues that require further exploration, as described in section 4.6:

In the Revised Straw Proposal, the CAISO lists several issues that the CAISO does not plan to move forward with or that require further exploration before moving forward with a proposal. These issues include developing an auction mechanism for allocating MIC, conducting deliverability studies after RA showings, releasing unused MIC, and changing the methodology for calculating MIC to include liquidity. CalCCA generally supports the CAISO's decision not to move forward with these changes at this time, given the current allocation process generally works well by allocating MIC to LSEs responsible for paying the costs of the transmission system and meeting RA obligations. A method that continues to allocate MIC to LSEs based on its load ratio share, coupled with improvements to transparency proposed in this initiative and the removal of substitution requirements and RAAIM contemplated in the RA Enhancements initiative, should result in efficient allocation and use of MIC.

8. Provide your organization's comments on the proposed initiative schedule and EIM Governing Body role, as described in section 5:

CalCCA continues to support the Energy Imbalance Market (EIM) Governing Body classification for this initiative.

9. Additional comments on the Maximum Import Capability Enhancements revised straw proposal:

No additional comments at this time.