



Submit comment on Draft final proposal and draft tariff language

Initiative: Transmission service and market scheduling priorities

The comments below are submitted jointly on behalf of the Bay Area Municipal Transmission Group, the California Community Choice Association, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the Six Cities), Pacific Gas and Electric Company, and San Diego Gas & Electric Company. The comments below refer to the entities submitting these comments as “Joint CA LSEs.”

1. Please share your organization’s overall position on the Phase 1 draft final proposal.

Choose:

- Support
- Support with caveats
- Oppose
- Oppose with caveats
- No position

2. Please share your organization’s perspective on the Phase 1 proposed extension of the wheeling through priorities and associated framework for the next two summers, through Jun 1, 2024.

The CAISO should make the completion of the remainder of this initiative a high priority in 2022.

The Joint CA LSEs support the CAISO’s proposal to extend the interim wheeling-through scheduling priorities framework approved by FERC and currently in effect, which otherwise would expire on June 1, 2022. FERC found these scheduling priorities to be just and reasonable on an interim basis, not unduly discriminatory, and consistent with open access principles. Reverting to the previously effective priorities would be unjustified.

The CAISO should make the completion of the remainder of this initiative a high priority in 2022. As such, the CAISO should consider accelerating the current Phase 2 timeline in order to open up the possibility of implementing elements of the long-term scheduling priorities framework as soon as summer 2023. The proposed two-year extension of interim scheduling priorities to June 2024 should not preclude the CAISO from striving to develop and implement remaining elements of this initiative before then. One approach to accelerating the process could be revising the Phase 2 timeline to target submitting the proposal to the CAISO Board and EIM Governing Body by August 2022, rather

than December 2022.¹ We believe a modified timeline could enable the implementation of elements of the long-term scheduling priorities framework as soon as summer 2023.

The Joint CA LSEs understand the need to provide certainty for entities outside of the CAISO BAA and to set a realistic timeline for developing and implementing a new transmission reservation process. But while the interim scheduling priorities framework constitutes a significant improvement over the priorities structure previously in effect, the interim framework nevertheless falls short of providing CAISO BAA customers with reliability and native load protections that are on par with those of other BAAs. The interim framework also does not include a rate structure that ensures wheeling customers electing to obtain high priority wheeling access are contributing to the revenue requirement for the CAISO transmission system in a manner that is commensurate with receiving priority comparable to native load. The Joint CA LSEs believe that, in the subsequent phase of this initiative, the CAISO can and should consider implementing improvements to the interim scheduling priorities framework earlier than two-and-one-half years from now, as well as accelerating the process to develop and begin implementation of the long-term framework.

3. Please share your organization’s perspective on other proposed elements of the Phase 1 draft final proposal, and any other aspects of the Phase 1 draft final proposal.

The CAISO should take further actions to ensure high priority (PT) exports do not exceed the non-RA capacity of designated supporting resources

The Joint CA LSEs appreciate the CAISO’s attention to concerns regarding instances in which PT export schedules could exceed the non-RA capacity of the designated supporting resource. The Draft Final Proposal includes improvements that should help mitigate the risk of underproducing or physically unavailable resources supporting PT exports. These improvements include:

- 1) Creating new technology functionality in the Scheduling Infrastructure Business Rules (SIBR) system to provide scheduling coordinators for both the exporters and designated supporting resources with more visibility into the resource’s non-RA capacity and ability to support a PT export.
- 2) Updating the CAISO tariff to require that the “most recent forecast” for VERs supporting PT exports, rather than the forecast at the time of bid submission, is equal to or greater than the PT export quantity.

While these are positive steps, the Joint CA LSEs disagree with the CAISO’s decision to forego the opportunity to create flexibility for the CAISO to make adjustments to PT export schedules in cases in which they exceed the non-RA capacity of the supporting resource and in order to maintain reliability.² We urge CAISO to reconsider its current proposal and consider ways to provide flexibility

¹ See proposed Phase 2 schedule at pp. 31-32 of Draft Final Proposal:
<http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-TransmissionService-MarketSchedulingPriorities.pdf>

² The DMM has commented that “allow[ing] curtailment of PT exports before CAISO load when availability or production capability of the designated supporting resource is observed to be less than the quantity of the associated PT export ... would better align with DMM’s understanding of the practices of other BAAs, which may curtail exports associated with a specific resource in order to maintain reliability if the resource is unavailable to support the export.” California ISO Department of Market Monitoring, “Comments on External Load Forward Scheduling Rights Initiative Issue Paper (Sept. 30, 2021),

in the tariff to adjust PT export schedules, particularly in instances when the PT export can no longer be supported due to changes in the availability of the supporting resource and the CAISO BAA's reliability is at risk. We also request that CAISO monitor and report instances in which PT exports exceed the available non-RA capacity of the designated supporting resources.

CAISO should clarify the definition of non-RA capacity

The Joint CA LSEs request clarification of non-RA capacity values that are used in determining the quantity that may support a PT export. Specifically, we ask the CAISO to address the comments made by the CPUC Energy Division on the December 20, 2021 stakeholder call that identified a potential discrepancy in the definition of "non-RA capacity" between the CAISO Tariff and the CAISO market software. We would appreciate clarification of this issue and how defining non-RA capacity as the amount above the NQC for hydro resources or the ELCC NQC for wind and solar resources would impact the amount of capacity that can be used to support PT exports.

Transparency enhancements should include monthly reporting of wheeling revenues from PT wheel through transactions

The Joint CA LSEs appreciate and support the CAISO's publication of regular data related to wheel through and export transactions on the CAISO system. We request that the CAISO also provide monthly reporting of wheeling revenues from PT wheeling transactions.

4. Please share your organization's perspective on the proposed draft tariff language on Phase 1 elements.

The CAISO should clarify the meaning of "the most recent forecast" for Variable Energy Resources supporting PT exports

The CAISO proposes to modify section 30.5.1(aa) to include a reference to a Variable Energy Resource's "most recent forecast." We would appreciate clarification of which forecast this refers to.

5. Please share your organization's perspective on the Phase 2 direction and information update, including the associated timeline for the phase.

As discussed under Item 2 above, the Joint CA LSEs are concerned that the extended timeline for this initiative contemplated in the CAISO's proposal will unduly prolong elements of the interim priorities framework that fail to provide CAISO BAA customers with reliability and native load protections that are on par with those of other BAAs. To mitigate such impacts, in the subsequent course of this initiative, the CAISO should be open to accelerating the Phase 2 schedule for the long-term scheduling priorities framework and considering implementation of improvements to the interim framework earlier than two-and-one-half years from now. The CAISO should attach high priority to completion of this initiative by the end of 2022. In no event should the proposed timeline delay implementation of improvements to the priorities structure beyond June 1, 2024.