
PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

May 19, 2011

To: CAISO/ RAImport@caiso.com

From: CPUC Staff

Re: Deliverability of Resource Adequacy Capacity on Interties Draft Final Proposal

The CPUC Staff appreciates the opportunity to comment on the CAISO's Draft Final Proposal to modify the calculations used to allow increases in Maximum Import Capability (MIC) of interties for the purpose of Resource Adequacy credit to reflect future deliverability of resources that are located, or may be built, outside of the CAISO Balancing Authority Area rather than solely upon historical data. The CAISO's proposal recognizes that high-quality renewable resources, and other traditional resources that may be needed to assure the short and long-term reliability of California's energy supply, may be located or built in the future outside of the CAISO's Balancing Authority Area. The CAISO further recognizes that low MIC limits may impede the financing and energy imports from such resources because of the lack of available Resource Adequacy credit for some external resources, arising from unnecessarily low MIC calculations for some interties.

In particular, the CPUC Staff appreciates the CAISO's willingness to take into account California's various generation procurement statutes and policies when determining the MIC for a given year, and for studying the impacts of that generation in future years' transmission planning process. As the CAISO and all concerned parties are aware, California has a number of statutes and policies that direct CPUC jurisdictional Load Serving Entities to increase reliance upon renewable resources. California is also in the process of efforts to retire or refit generation that relies on Once Through Cooling technology. It is imperative for the CAISO and CPUC to work together to agree on the planning scenarios used in determining future policy driven resource development. The CPUC Staff appreciates the CAISO's inclusion of that step. As sketched out in the draft final proposal, the methodology to augment remaining import capability subject to Once Through Cooling limits is a reasonable way to accomplish the objective of this stakeholder process, and the study of limits set relative to the new maximum remaining import capability in future transmission planning cycles is a good idea.

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