

Category	Comments on proposed enhancements	Management response
<p>Comments of support</p>	<p>Supports ISO's final proposal for export, load and wheeling priorities as a reasonable, implementable near-term solution to address deficiencies in the current process (CalCCA)</p> <p>Supports the proposed requirements for an export schedule to hold high scheduling priority, and views the ISO's proposed prioritization of high-priority exports as consistent with the practices of other BAAs. Supports the establishment of different scheduling priorities for high-priority and low-priority wheel through schedules, and the additional criteria proposed for wheel-through transactions to attain high-priority scheduling priority (DMM)</p> <p>Does not agree with ISO's proposal in total but supports the proposal as being a net improvement over the status quo (SDG&E)</p> <p>Supports proposed revisions to export, load, and wheeling priorities on an interim basis (Six Cities)</p> <p>Requirements for high-priority wheel status are necessary and appropriate. Supports the post-hour ahead scheduling process to allocate transmission capacity between high-priority wheel-throughs and resource adequacy supply (SCE)</p>	<p>No comment.</p>
<p>Comments on a sunset date for the proposed change to create a category of high-priority wheeling through schedules with specific eligibility criteria</p>	<p>Changes should sunset on December 31, 2021. If a forward transmission procurement framework is not in place by December 31, 2021, the priorities of loads and wheel-throughs should revert to the status quo (BPA)</p> <p>Supports the ISO's proposal that the wheel-through priorities established in the Final Proposal are temporary measures until a more comprehensive process is developed (DMM)</p> <p>Any interim solution adopted through this initiative should expire by December 31st, 2021 (PGP)</p>	<p>Management proposed a tariff sunset date for the wheeling through provisions in recognition that they reflect an interim approach. In response to stakeholder comments, Management is proposing the wheeling through provisions will remain in effect through May 31, 2022, rather than through the end of 2021 as originally proposed. This is to provide additional time to develop a longer-term solution. In the event the ISO cannot implement the longer-term approach by summer 2022, Management will evaluate whether interim measures for summer 2022 are appropriate.</p>

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	<p>Limit implementation of these requirements to the remainder of 2021 (Shell)</p> <p>Modifications included in the Final Proposal should not sunset automatically at the end of 2021 or any other fixed date (Six Cities).</p>	
<p>Comments on a long-term stakeholder initiative to address issues that couldn't be addressed in this expedited initiative</p>	<p>Long-term transmission procurement framework should be taken up in a distinct stakeholder initiative rather than be combined with maximum import capacity enhancements (BPA)</p> <p>ISO must initiate a process to develop a long-term policy that properly accounts for ISO's responsibility to ensure reliable service to firm native loads, while providing open access to transmission that is in excess of that needed to serve native load (CalCCA)</p> <p>It is imperative that the ISO move forward pursuing actions that will develop a longer-term solution in time for RA year 2022 (PG&E)</p> <p>It is imperative to begin work on a long-term solution that explores developing a framework for transmission priority based on open access principles (PGP)</p> <p>ISO needs to work with stakeholders to come up with a framework by which wheeling schedules can pay for transmission on a long-term basis the same way that load has been paying for the current transmission system on a long-term basis (SDG&E)</p> <p>Recommends ISO begin work to develop a framework that meets open access principles for transmission priority in a separate policy initiative (Seattle City Light)</p>	<p>Management has already started a stakeholder initiative to develop a process for external entities to obtain scheduling rights for wheeling through schedules on a forward basis. In response to stakeholder comments, Management plans to break this out as a separate initiative from the maximum import capacity enhancements initiative. This initiative will also consider associated further enhancements to ISO market scheduling priorities and additional validation rules for high-priority exports supported by non-resource adequacy resources.</p>

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	<p>Revision resulting from the planned initiative for development of a process for wheel through reservations should supersede the modifications recommended in the Final Proposal (Six Cities)</p> <p>Proposal should serve as temporary measures only; a longer-term solution must be developed that fully addresses open issues (SCE)</p>	
<p>Opposition from external entities on the wheel-through proposal</p>	<p>The final proposal elevates the priority of ISO load in a manner that is inequitable and discriminatory, violates open access principles, and hinders competitive trade across the western markets. High-priority wheels and RA imports should have equal requirements and new self-scheduled day-ahead wheels and new self-scheduled day-ahead imports should have equal status (BPA)</p> <p>Tying transmission service to the requirements for high-priority wheels is unreasonable and is not comparable to the requirements for import schedules to the ISO (Brookfield)</p> <p>Disappointed at the ISO's proposal to restrict the priority of wheel-throughs to a narrow set of transactions that will be challenging to qualify for and will complicate the ability for external BAAs to procure wheel-through resources to meet short-term variations in demand (IID)</p> <p>The Final Proposal continues to modify the priorities for wheel-through transactions in a manner that is unduly discriminatory and inconsistent with FERC's long-standing open access transmission principles (NVE)</p> <p>ISO's proposal provides California entities a unique competitive advantage in the marketplace, effectively providing a first rights priority for California LSEs to resources they neither own nor control through contractual rights (PGE)</p> <p>ISO's proposed high-priority wheel priority is discriminatory. The same priority afforded to imports needed to serve ISO BAA load</p>	<p>In response to these comments, Management modified its proposal to provide more fair and balanced treatment between using the ISO transmission system to serve ISO load and providing access for high priority wheels.</p> <p>Management's previous proposal specified that an entity would have to have a contract to serve load in another BAA entered into by April 23, 2021 to be able to submit high-priority wheeling through schedules. Management modified this approach in its final proposal to specify that the contract has to be entered into by 45 days prior to each month. This is the same timeline that ISO load serving entities have to designate all resource adequacy imports.</p> <p>Management's previous proposal also based the pro rata adjustment process conducted after the hour-ahead scheduling process on the greater of all imports scheduled in the residual unit commitment process or the quantity of resource adequacy bids. Because, the pro rata allocation could be based on imports scheduled in the residual unit commitment process beyond RA requirements, external entities argued that this provided higher priority to imports scheduled by load serving entities for which they had made no contractual commitment. Management modified this approach in its final proposal to only base the pro rata allocation on the quantity of resource adequacy import bids (including self-schedules) submitted in the real-time market.</p>

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	<p>is not afforded to many otherwise comparable wheel-through schedules that serve load outside the ISO BAA (Powerex)</p> <p>ISO's approach does not treat imports and self-schedule wheels equitably, nor does it ensure open access to ISO's transmission system for wheel-throughs. The requirements for wheel-throughs to qualify for high-priority status are more limiting than the requirements for ISO load to achieve this priority (PGP)</p> <p>The criteria wheel-through schedules must meet to achieve high-priority status, the penalty prices, and the new post-hour-ahead scheduling process and post-residual unit commitment process included in the ISO's proposal result in inequitable access to transmission between wheel-throughs and ISO load (PPC)</p> <p>ISO's latest proposal will inequitably prioritize ISO load over external loads while not ensuring open access to the ISO transmission system. The requirements for wheel-throughs to qualify for high-priority status are more limiting than the requirements for ISO load to achieve this priority (Seattle City Light)</p> <p>Requirements for high-priority wheels are wholly inappropriate and violate principles of open competition for transmission procurement (Shell)</p> <p>ISO has not developed a near-term solution that places wheel-through transactions used to serve load outside the ISO on even footing with imports to serve ISO load. The proposal that ISO has put forth as a temporary solution – creating "high priority" wheels – does not protect the forward contracts Southwest LSEs have entered into to serve their load over the 2021 summer (SW LSEs)</p> <p>Proposed criteria will apply inequitable restrictions on wheel-throughs contracted to serve load in a neighboring BAA compared to RA imports contracted to serve ISO load (WPTF)</p>	

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Relationship between scheduling priorities and scarcity pricing	Any changes in scheduling priorities and perhaps the concomitant changes in incentives, needs to be paired with a suite of scarcity pricing measures and appropriate measures to ensure appropriate level of forward-market load scheduling (Brookfield)	Comprehensive scarcity pricing measure are complicated to develop and were not feasible to implement in time for summer 2021. ISO plans to undertake a comprehensive scarcity pricing initiative but changes to scheduling priorities need to happen more urgently for summer 2021 reliability.
Comments on allowing variable energy resources (VERs) to be designated as a resource supporting a high-priority export	<p>If the ISO allows designation of a variable energy resource to support a high-priority export, the ISO should maintain the ability to reduce the level of that high-priority export before ISO load if the designated variable energy resource is producing less than the value of the high-priority export schedule (DMM)</p> <p>Concerned that allowing variable energy resources to support high priority exports could jeopardize reliability this summer. Variable energy resources that are called upon to support high priority exports may underperform or not show up in real-time. ISO has indicated that forecasts for variable resources are often too high and that this can occur during critical peak periods (CPUC)</p> <p>Requests that for high-priority exports, the export quantity from a variable energy resource be further limited during the period between peak and net peak load until further validation processes can be developed (PG&E)</p>	The concern that a designated resource may underperform or not show up in real-time holds for all resources, not just variable energy resources, as ISO software lacks the functionality to validate a designated resource's actual production against its high-priority export value. The ISO believes that the inclusion of variable energy resources (with the condition that it can only support an export at its lowest forecasted value) is reasonable to not discriminate.
Comments that wheel-through proposal is too generous to wheel-throughs relative to ISO load	<p>The final proposal continues to afford wheel-through transactions access to ISO transmission on more favorable terms than other BAAs and leaves the possibility that the scheduling priority provided to wheel-through transactions may lead to reliability challenges in ISO (DMM)</p> <p>ISO's latest proposal seems to ignore that in an Open Access world one of the highest priorities is given to native load importing from external designated resources using Network Integration Transmission Service. No other provider in WECC allows a short-term wheel-through request to come in, request a subset of valuable hours, days, or even a month, and allow that wheel-through to displace imports needed for reliability that has reserved transmission to serve native load (Morgan Stanley)</p>	<p>The post-hour-ahead scheduling process allocation process is designed to mitigate some of the risk of wheel-throughs crowding out import capacity enough to shed ISO load. In response to stakeholder concerns, Management modified the post-hour-ahead scheduling allocation process to be based on the lowest of 1) 110 percent of the submitted day-ahead market high-priority wheel self-schedule, 2) the submitted real-time market high-priority wheel self-schedule, or 3) the high-priority wheel quantity requested 45 days in advance of the month.</p> <p>The conditions for high-priority wheel status is a short-term measure intended to accommodate neighboring BAAs who have been relying upon access to the ISO system for their reliability needs this coming summer in the absence of a process to</p>

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	<p>This proposal may lead to enough wheel-throughs crowding out our import capacity or creating congestion internally such that shedding native load may be required this summer (PG&E)</p> <p>There could be unintended consequences to the extent high priority wheels are prevalent and may only opt to self-schedule during the highest peak days and hours. This could result in the wheel-throughs having equal access to the transmission system alongside California load only during those critical hours when California load pays for the transmission year-round (WPTF)</p>	<p>forward procure firm transmission service. The ISO will soon be starting a distinct stakeholder initiative to develop a long-term transmission procurement framework and to further align with practices of other BAAs.</p>
<p>Concerns from internal entities on the wheel-through proposal</p>	<p>Concerned that the existing and proposed rules prioritize exports and wheels over native load and, if allowed to continue, will seriously jeopardize reliability in the state and undermine the resource adequacy and transmission planning processes (CPUC)</p> <p>Concerned that any number of entities could indicate that they have signed a contract to obtain high-priority wheeling status to reserve space, but that these contracts could be provisional or have no penalty provisions, because there are no clear requirements or upfront costs (CPUC)</p> <p>Concerned that prioritizing high-priority and low-priority wheels over resource adequacy import contracts at all times, except when there is unserved load and in that case only allocating pro rata based on available bids, could jeopardize reliability this summer (CPUC)</p> <p>Concerned that ISO could be left with insufficient RA resources in the real-time because the residual unit commitment process may fail to commit sufficient resources when there is not an infeasibility (CPUC)</p> <p>Concerned about the potential effect residual unit commitment forecasting errors could have on the ISO's ability to import under this proposal. For example, if the residual unit commitment</p>	<p>The proposal goes a long way to recalibrating scheduling priorities to enhance ISO short-term reliability compared to the status quo. Management believes it has achieved a balanced approach in the short-term as it looks to develop more comprehensive changes in an upcoming initiative.</p> <p>Management has made several changes in response to these stakeholder concerns. Management has proposed that external load-serving entities must have procured firm transmission to the ISO border in order to receive high-priority wheeling status. This requirement demonstrates an external load serving entity's dependence on using the ISO system to routinely serve its load, demonstrating a similar level of dependence and commitment as CAISO load serving entities.</p> <p>Stakeholders expressed concern that the day-ahead market solution would be unreliable and potentially result in an infeasible real-time market if the bulk of high-priority wheels are scheduled in the real-time and not the day-ahead. In response to these concerns, Management modified the post-hour-ahead scheduling allocation process to be based on the lowest of 1) 110 percent of the submitted day-ahead market high-priority wheel self-schedule, 2) the submitted real-time market high-priority wheel self-schedule, or 3) the high-priority wheel quantity requested 45 days in advance of the month. It is the ISO's expectation that high-priority wheels will participate in the day-</p>

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	<p>process does not identify an infeasibility for the next day then it would not automatically generate residual unit commitment bids for RA imports (PG&E)</p> <p>Concerned that high-priority wheels can come in during the real-time process and adversely affect the post-hour-ahead scheduling adjustment process (CPUC)</p> <p>High-priority exports should be given equal priority to load only if they are identified in the day-ahead and that high-priority exports should not be allowed to materialize in the hour-ahead scheduling process and be given equal priority to load and potentially threaten the reliability of the grid (CPUC)</p>	<p>ahead market at a quantity necessary to meet the external entity's resource adequacy needs met by the high-priority wheel for the vast majority of the hours of the contract.</p>
<p>Reliance on day-ahead awards and e-tags</p>	<p>ISO should consider a day-ahead e-tagging requirement (3PM the day prior), a practice more in line with the best-practices and requirements in the region (Brookfield)</p> <p>An entity located outside of the ISO BAA should be able to rely on its day-ahead e-Tag submittals carrying through with priority into the real-time market (IID).</p> <p>ISO should recognize and consider the existing FERC-approved e-tag framework already being used by Western entities to determine transmission priority (PGE and SW LSEs)</p>	<p>The ISO cannot continue to allow day-ahead market awarded exports that are not supported by non-RA resources to carry through to real-time at the expense of its own reliability and using its contracted RA resources to support exports out of its BAA.</p>
<p>Determining RA/non-RA capacity of a de-rated resource</p>	<p>Objects to ISO reducing non-RA capacity before RA capacity when a unit is de-rated as discriminatory treatment that is not consistent with the ISO's philosophy of affording high-priority priority exports that are backed by non-RA capacity the same priority as ISO load (MRP)</p>	<p>In response to this concern, Management has proposed a tariff clarification that, in the case of a derate of a resource, the scheduling coordinator shall indicate to the ISO how much of the de-rate should be allocated among RA and non-RA capacity based on its contractual terms. Otherwise, the derate will be allocated pro rata.</p>
<p>Concerns about volume of high-priority wheels this summer</p>	<p>Concerned about the uncertainty of the magnitude of wheeling transactions. North-south price differences could further increase wheeling transactions and, as a result, displace California resource adequacy import contracts for energy and the movement of energy from northern California (where there is typically excess generation) across the constrained transmission system to southern California (CPUC)</p>	<p>Last summer, wheel-throughs were small in magnitude and irrelevant to what caused ISO to shed load. There is some concern that, given this proposal reduces the relative priority of exports, external entities may be looking to wheel-through transactions to serve their load this summer. High-priority exports with equal scheduling priority to ISO load must inform the ISO in advance the MW quantity of their wheel so ISO can</p>

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	<p>Market participants, anticipating the pro-rata reductions on their high-priority wheel-through schedules and in an attempt to get a higher pro-rata allocation, may even submit more contracts for high-priority wheel status even though they may have other means of serving them (Morgan Stanley)</p>	<p>be better prepared to handle the volume of wheel-throughs across its system. Management has also introduced changes to the proposal to incentivize day-ahead scheduling of high-priority wheels so the ISO can be prepared for the likely volume of real-time wheels.</p>
<p>Comments requesting additional requirements for high-priority wheel-throughs or exports</p>	<p>ISO should add an additional requirement for high-priority wheel-throughs to either have a must flow obligation or to pay the ISO transmission access charge on a long-term basis (PG&E)</p> <p>Concerned about the implications of this proposal on LSE's RA import transactions. Due to high-priority wheels receiving higher priority than load, this will create uncertainty about the deliverability of RA imports, specifically at hours in which they are most needed (PG&E)</p> <p>ISO should provide additional attestation requirements and validation processes to ensure that the export is in fact sourced only from non-RA resources that are able to support the export (PG&E)</p>	<p>ISO acknowledges these concerns and suggestions and will seek to address them in an upcoming stakeholder initiative.</p>
<p>Suggestion about e-Tagging</p>	<p>The ISO should provide an indication of the export type (high-priority, low-priority, or economic) as a token in the miscellaneous information field located within the e-Tag (PacifiCorp)</p>	<p>This approach does not change the e-tagging rules for exports. ISO exports are firm once scheduled in the real-time market.</p>