

Stakeholder Comments Template

**Deliverability of Resource Adequacy
Capacity on Interties**

Submitted by	Company	Date Submitted
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This template is for submission of stakeholder comments on the topics listed below, covered in the *Deliverability of Resource Adequacy Capacity on Interties* Issue Paper posted on March 15, 2011, and issues discussed during the stakeholder conference call on March 22, 2011, including the slide presentation.

Please submit your comments below where indicated. Your comments on any aspect of this initiative are welcome. If you provide a preferred approach for a particular topic, your comments will be most useful if you provide the reasons and business case.

Please submit comments (in MS Word) to RAimport@caiso.com no later than the close of business on March 29, 2011.

1. Do you have any comments on the overall issue that the ISO is proposing to address? For example, has the ISO adequately framed the issue?

The Sacramento Municipal Utility District supports the ISO’s proposal to revise its Maximum Import Capability (MIC) methodology, which is used to determine the import limits of Resource Adequacy (RA) resources at the interties. Currently, the MIC methodology is based on historic imports during peak system conditions. As such, it may unnecessarily limit new intertie resources (without scheduling histories) from providing RA Capacity to load-serving entities (LSEs) within the ISO Balancing Authority Area (BAA). This inability to offer RA presents a significant economic disadvantage for the development of some renewable resources, which, based on locational and other constraints, will be developed outside of the ISO BAA (i.e., several CREZs are outside of the ISO footprint).

SMUD believes that the ISO has properly captured the essence of the issue. Moreover, SMUD agrees with the ISO that this issue can be addressed through a limited BPM change. SMUD therefore encourages the ISO to maintain this straight forward approach.

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2. Do you have any suggestions on how this issue might be addressed and resolved? If you have a suggested approach, please describe your proposal and its perceived benefits and provide examples to illustrate your proposal.

SMUD believes that the revised MIC methodology should be aligned with physical intertie limits, not historic schedules.

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3. If you have any additional comments, please provide them here.

SMUD appreciates the ISO's decision to revise the RA MIC methodology for the interties and looks forward to reviewing a more detailed proposal.