

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 Straw Proposal* posted on April 6, 2011, and issues discussed during the stakeholder conference call on April 13, 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 April 20, 2011.

1. Do you generally support the ISO’s proposal to expand the maximum import capability values?

Yes, the Six Cities generally support the ISO’s proposal to expand the maximum import capacity (“MIC”) values consistent with maintaining grid reliability.

2. What specific changes would you like the ISO to consider for the final proposal. Please explain the benefits that your proposed changes will provide.

The Six Cities are concerned with the aspect of the Straw Proposal under which the ISO would assume, for purposes of establishing the MIC values for a given RA compliance year, that transmission scheduled to be in service prior to the start of that RA compliance year in fact will be in service for that year. Straw Proposal at 4 and 16. Simply assuming that “scheduled” transmission upgrades in fact will be in place creates an undue risk that procured RA imports will turn out to be non-deliverable, resulting either in a degradation of grid reliability or increased costs to LSEs for procurement of replacement or back-up RA capacity. The ISO should establish procedures to require transmission owners/developers responsible for the construction of upgrades that are relied upon to support expanded MIC values to provide a verified and up-to-date status

report, prior to the annual determination of MIC values for the subsequent RA compliance year, on the expected in-service date of upgrades that will affect such MIC values. Conducting such a review of the status of anticipated upgrades prior to the annual determination of MIC values will reduce the potential need for increased back-up procurement of RA capacity and associated costs.

In addition, if a network upgrade assumed to be in service for purposes of an annual MIC determination is delayed, the ISO should revise the MIC allocations on the affected intertie(s) on a pro rata basis (excluding assignments for ETCs, TORs, and grandfathered RA resources) and provide the reduced MIC allocations to affected LSEs at least thirty days prior to the due date for the initial monthly RA showings. This will provide an opportunity for LSEs to replace the RA resources affected by the delayed upgrade and assign responsibility for any required backstop capacity to the LSEs that purchased the resources for which deliverability is reduced by the delay in completion of the upgrade.

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

The Six Cities agree with the ISO's determination to maintain the current procedures for allocating shares of the annual MIC to LSEs for their use in meeting RA requirements.