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?

Imperial Irrigation District (IID) strongly supports the ISO's efforts on this important initiative. IID believes that the ISO has properly framed the issue and urges the ISO to proceed expeditiously to complete this process, which is essential for numerous renewable resource developers within its Balancing Authority Area (BAA) to move forward with project financing and construction. IID has approximately 43 projects comprising nearly 3093 MW of these renewable resources in its interconnection queue seeking to deliver to the ISO BAA.

By way of example, under the existing ISO Maximum Import Capability (MIC) methodology, which looks at what was historically imported during peak system conditions, one of the critical interties between the IID and ISO BAAs shows zero (0) import capability (i.e., IID-SDG&E_BG) for Resource Adequacy (RA) deliverability assessment purposes. This means that new renewable resources in the IID interconnection queue seeking to deliver energy to load-serving entities (LSEs) at this interface with the ISO BAA are unable to provide RA capacity and thus face

impediments within the procurement process for LSEs within the ISO BAA. This is unjustified since there is clearly intertie capacity available to deliver some portion of these resources to LSEs/load within the ISO BAA. Thus, although the existing MIC methodology served an important purpose at the time it was developed, it is currently inadequate to address the expanded need to access renewable resources outside the ISO BAA.

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.

IID urges the following:

- The revised MIC methodology should be based on the physical capabilities at the specific interties and not impose artificial restrictions, based on historical schedules, that unnecessarily limit imports (as is the case with the current MIC methodology).

- The methodology utilized to calculate MIC at the interties should use a prospective approach based upon a reasonable expectation of the amount of resources that can be delivered to the ISO BAA at the intertie.

- This process must not become overly complicated. On the initial stakeholder call, some raised concerns that go beyond the methodology used to calculate MIC. Addressing additional issues may require tariff changes and an associated process before the Federal Energy Regulatory Commission. This will take too long and is unnecessary. The ISO should proceed with changes to the MIC methodology through the BPM process immediately, and evaluate whether additional tariff changes should be pursued after this process has been fully implemented.

- Every effort should be made to have the methodology in effect before the 2013 RA compliance year. IID has several projects in its interconnection queue scheduled to go on-line in the third and fourth quarter of 2012. Thus, it may be necessary to accommodate any projects that might be deliverable before 2013.

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

The Imperial Valley CREZs scored very high in the studies performed by RETI. The 1,255 MW of renewable resources currently in IID's transitional cluster are, cost effective in-state, renewable resources that can be accessed through relatively low cost upgrades to the existing transmission grid. Allowing these renewable resources to serve the ISO market will help keep the costs of renewable energy low for California's ratepayers. Any impediments to access of Imperial Valley resources

should be removed in order for California to meet its renewable energy and greenhouse gas goals.

IID appreciates the ISO's attention to this important and necessary change to the RA MIC methodology for the interties and looks forward to working with the ISO and stakeholders to quickly implement a solution.