

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Guidance on Simultaneous
Transmission Import Limit Studies

Docket No. AD10-02-006

**Informational Filing of the California Independent System Operator
Corporation**

The California Independent System Operator Corporation (CAISO) submits this informational filing regarding recent maximum import capability calculations to the Federal Energy Regulatory Commission. This filing provides the Commission with information that may be relevant to its assessment of sellers' market based rate authority.

I. Introduction

The CAISO is submitting maximum import capability calculations for 2021, 2020, and 2019.¹ These calculations reflect actual operating conditions and feasible import schedules into the CAISO balancing authority during peak conditions. The calculations may help corroborate simultaneous import limitations studies that sellers present to the Commission as part of their requests for review of and initial requests for market based rate authority. The CAISO respectfully requests that the Commission accept this informational filing for this purpose.

II. The CAISO's maximum import capability calculations may help corroborate simultaneous import limitation studies

¹ On May 25, 2018, the CAISO submitted maximum import capability calculations for 2018 and 2017 in this docket. On December 28, 2015, the CAISO submitted maximum import capability calculations for 2016, 2015, 2014, and 2013 in this docket.

Under the Commission's rules related to assessing updated market power analyses for review of sellers' market based rate authority, the Commission has outlined requirements for simultaneous import limitation studies.² These studies serve as a basis for calculating import capability to serve balancing authority area load in connection with the Commission's market power analyses.³

Simultaneous import limitation studies quantify the simultaneous transmission import capability into a market or balancing authority area from its aggregated first-tier area (*i.e.*, balancing authorities directly connected to the importing balancing authority area).⁴ The purpose of these studies is "to provide a reasonable simulation of historical conditions" and not necessarily "a theoretical maximum transfer capability or best import case scenario."⁵

Each year, the CAISO establishes maximum import capability values for import paths to allocate this capability to scheduling coordinators for load serving entities in its balancing authority area for resource adequacy purposes.⁶ As part of this process, the CAISO calculates available import capability for each intertie

² See, e.g., *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity And Ancillary Services By Public Utilities*, Final Rule, Order No. 697, 119 FERC ¶ 61,295 (2007).

³ See, e.g., *Puget Sound Energy, Inc., et al.* 135 FERC ¶ 61,254 (2011 *Northwest Simultaneous Transmission Import Limit Order*) (2011) at P 2.

⁴ *Id.*

⁵ Order 697 at P 354 and fn 358, noting that actual flows during the study periods may be used as a proxy for the simultaneous transmission import limit. See also Appendix B of 2011 *Northwest Simultaneous Transmission Import Limit Order*, Directions and Required Reporting Format for Simultaneous Transmission Import Limit Studies.

⁶ See generally CAISO tariff, section 40.4.6.2. The CAISO tariff defines maximum import capability to mean "a quantity in MW determined by the CAISO for each Intertie into the CAISO Balancing Authority Area to be deliverable to the CAISO Balancing Authority Area based on CAISO study criteria." See Appendix A to the CAISO tariff.

by using historical import schedule data during high load periods for two years, with the highest imports, among the last five.⁷ The CAISO selects the sample hours from these years by choosing two hours in each year, on different days within the same year, with the highest total import level when peak load was at least 90 percent of the annual system peak load.⁸ The CAISO then adds these scheduled net import values for each intertie with unused existing transmission contract rights and transmission ownership rights, averaged over the four selected historical hours, to determine the available import capability for resource adequacy purposes.⁹

The CAISO has also developed a methodology known as expanded maximum import capability that it utilizes in connection with the CAISO's transmission planning process and reflects future upgrades to the transmission system. That methodology is forward looking and attempts to ensure that sufficient import capability exists to support resource adequacy contracts in future years.

Although variations exist between how the CAISO calculates maximum import capability for resource adequacy and the Commission's methodology for

⁷ CAISO Business Practice Manual for Reliability Requirements at 67-69. <https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Reliability%20Requirements>. For Resource Adequacy year 2020 and prior years, the CAISO's calculation used the two preceding years.

⁸ *Id.*

⁹ *Id.* The CAISO tariff defines available import capability to mean "the Maximum Import Capability of an Intertie into the CAISO Balancing Authority Area in MW deliverable to the CAISO Balancing Authority Area based on CAISO study criteria minus the sum in MW of all Existing Contracts and Transmission Ownership Rights over that Intertie held by load serving entities that do not serve Load within the CAISO Balancing Authority Area." See Appendix A to the CAISO tariff.

sellers to perform simultaneous import limitation studies, the general purpose of each study is similar: to assess realistic import capability to serve load into a balancing authority area from adjacent areas. The CAISO's calculations, therefore, may help corroborate simultaneous import limitation values presented by a seller in the CAISO's energy and ancillary services markets seeking review of its market based rate authority.

III. The CAISO's maximum import capability calculations reflect feasible import schedules

The CAISO's calculation of maximum import capability at its interties serves as a basis to establish available capacity at these interties for resource adequacy purposes. As explained, the calculation reflects high historical scheduled imports when load is above 90 percent of peak of actual operating conditions in two years, with highest imports, among the last five. The CAISO collects this data from its open access same-time information system. The data reflects feasible real-time schedules under N-1 secure operating conditions. Because the CAISO uses actual schedules, the CAISO's approach demonstrates not only that import capability is simultaneously feasible but also that physical resources exist, are available, and have scheduled their output to serve load within the CAISO's balancing authority. The CAISO notes, however, that changes in transmission capability and system conditions that occur subsequent to the CAISO's calculation can impact and change calculated maximum import capability levels.

V. The CAISO's import limitation calculations for 2021, 2020, and 2019 are publicly available

The CAISO has previously posted its available import capability calculations for 2021, 2020, and 2019 on its public website. For 2021, the overall available import capability number is 10,805 MW.¹⁰ This number reflects historical operating data from the prior two years and excludes existing transmission contract (ETC) or transmission ownership rights (TOR) held by non-CAISO load serving entities over the applicable scheduling paths. CAISO internal load serving entities also held 892 MW of ETC and TOR. However, when load serving entities do not use these commitments in the hour-ahead timeframe, the majority of this capability is released to the CAISO market. Table A reflects the following information from 2021, 2020, and 2019:

- annual maximum import capability;
- ETC and TOR held by non-CAISO load serving entities;
- Available import capability for CAISO resource adequacy purposes,
- ETC and TOR held by CAISO load serving entities; and
- Annual maximum import capability less all ETC and TOR.

¹⁰ 2021 import capability calculations are available on the CAISO's website at the following link: <http://www.caiso.com/Documents/Step6-2021AssignedandUnassignedRAImportCapabilityonBranchGroups.pdf>.

2020 import capability calculations are available on the CAISO's website at the following link: <http://www.caiso.com/Documents/Step6-2020AssignedandUnassignedRAImportCapabilityonBranchGroups.pdf>.

2019 import capability calculations are available on the CAISO's website at the following link: <http://www.caiso.com/Documents/Step6-2019AssignedandUnassignedRAImportCapabilityonBranchGroups.pdf>.

Table A – CAISO Maximum Import Capability Values 2021/2020/2019

Import Capability\Year	2021	2020	2019
Maximum Import Capability in MW	15,820	15,524	15,208
ETC and TOR held by non-CAISO load serving entities in MW	5,015	5,015	5,015
Available import capability for CAISO resource adequacy purposes in MW	10,805	10,509 ¹¹	10,193
ETC and TOR held by CAISO load serving entities in MW	892	892	892
Maximum import capability less all ETC and TOR in MW	9,913	9,617	9,301

VI. Conclusion

The CAISO requests the Commission accept this informational filing to help corroborate simultaneous import limitation study values presented by sellers' seeking market based rate authority.

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¹¹ The year 2020 Step 6 table incorrectly lists 10,753 MW. The CAISO corrected this error in later steps of its process to calculate maximum import capability values.

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010)

Dated at Folsom, California this 17th day of November, 2020.

/s/ Jacqueline Meredith
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