

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

Guidance on Simultaneous )  
Transmission Import Limit Studies )  
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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 2016 as well as prior years 2015, 2014 and 2013 in this docket. 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**

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.<sup>1</sup> 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.<sup>2</sup>

Simultaneous import limitation study 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).<sup>3</sup> 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."<sup>4</sup>

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.<sup>5</sup> As part

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<sup>1</sup> 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).

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

<sup>3</sup> *Id.*

<sup>4</sup> 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.

<sup>5</sup> 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.

of this process, the CAISO calculates available import capability for each intertie by using historical import schedule data during high load periods for the prior two years.<sup>6</sup> 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.<sup>7</sup> 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.<sup>8</sup>

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 sellers to perform simultaneous import limitation studies, the general purpose of

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<sup>6</sup> CAISO Business Practice Manual for Reliability Requirements at 69-72.  
<https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Reliability%20Requirements>

<sup>7</sup> *Id.*

<sup>8</sup> *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.

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 sellers in the CAISO's energy and ancillary services markets seeking review of their 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 prior years. 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.

#### **IV. The CAISO's import limitation calculations for 2013 through 2016 are publicly available**

The CAISO has posted its available import capability calculations for 2016 on its public website. For 2016, the overall available import capability number is 11,665.23 MW.<sup>9</sup> Again, 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 1,493 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 2013 through 2016:

- 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.<sup>10</sup>

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<sup>9</sup> See 2016 Assigned and Unassigned Resource Adequacy Import Capability by Branch Group [http://www.caiso.com/Documents/Step6\\_2016AssignedandUnassignedRAImportCapabilityonBranchGroups.pdf](http://www.caiso.com/Documents/Step6_2016AssignedandUnassignedRAImportCapabilityonBranchGroups.pdf).

<sup>10</sup> This information is available on the CAISO's website under the annual import allocation links at <http://www.caiso.com/planning/Pages/ReliabilityRequirements/Default.aspx>. See Documents entitled Assigned and Unassigned Resource Adequacy Import Capability by Branch Group - After Step 6.

**Table A – CAISO Maximum Import Capability Values 2013-2016**

<b>Import Capability\Year</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Maximum Import Capability in MW	15,755	16,228	17,486	16,470
ETC and TOR held by non-CAISO load serving entities in MW	4,090	4,090	4,090	3,162
Available import capability for CAISO resource adequacy purposes in MW	11,665	12,138	13,396	13,308
ETC and TOR held by CAISO load serving entities in MW	1,493	1,543	2,120	2,342
Maximum import capability less all ETC and TOR in MW	10,172	10,595	11,276	10,966

**V. 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.

Dated: December 28, 2015

Respectfully submitted,

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## 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 28th day of December, 2015.

*/s/ Martha Sedgley*  
Martha Sedgley