



# Decision on maximum import capability enhancements

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## Maximum import capability

- For a load serving entity to count a resource outside of the ISO balancing authority area for resource adequacy capacity, it must have an allocation of maximum import capability to apply to the resource
- Maximum import capability represents a quantity in MWs on each intertie determined by the ISO to be simultaneously deliverable to the aggregate of load in the ISO balancing authority area
- The ISO tests both the deliverability of internal resources and the deliverability of imports, to ensure all resource adequacy resources are simultaneously deliverable
- The maximum import capability process consists of 13 steps conducted annually by the ISO to calculate and allocate maximum import capability on each of the interties to the load serving entities

## Maximum import capability enhancements

- The ISO conducted a stakeholder initiative to explore potential improvements to all aspects of the resource adequacy's maximum import capability calculation, allocation and usage
- The stakeholder process consisted of five rounds of stakeholder calls with significant active engagement
- All proposed enhancements for approval have been suggested by stakeholders and have their overwhelming support
- Wheel through capacity reservation was initially raised as potentially part of the scope, however is being addressed in a separate stakeholder initiative currently underway

# Final proposal

1. Improving transparency – making the following data publically available through a web interface:
  - Identify the most-up-to-date owners of all maximum import capability allocations at the branch group level (including total MW quantity, contact person, “MWs available for trade”, etc.)
  - Aggregate usage by branch group level after validation of each month ahead and year ahead resource adequacy showing

## Final Proposal (continued)

2. Including contractual data from non-CPUC jurisdictional load serving entities into the main CPUC portfolio provided to the ISO to ensure they are included in the policy studies that may drive maximum import capability expansion:
  - The ISO will collect such data and to make it available to the CPUC for preparing base portfolios.
  - The ISO will continue to work with the CPUC and all the non-CPUC jurisdictional load serving entities in order to assure the CPUC receives the data in a useful format for its policy portfolio, reflecting confidentiality concerns.

## Final proposal (continued)

3. Provide stakeholders opportunity to make requests for maximum import capability expansion
  - maximum import capability is calculated annually primarily based on historical utilization of the interties
  - This change allows for stakeholders with legitimate reasons to make requests for maximum import capability expansion.
    - Existing resource adequacy import contract (internal load serving entities), owners of new transmission connecting to the ISO grid from an external Balancing Authority Area, other stakeholders that can contractually demonstrate financial commitments towards serving ISO internal load.

## Final proposal (continued)

- Requests will be submitted into the annual transmission planning process during the development of the study plan
- The request to study a potential maximum import capability increase does not convey any special rights during market scheduling, market operation or during the annual maximum import capability allocation process for all upgrades paid for by all ratepayers

## Final proposal (continued)

4. Give “same day priority” to the step 13 unallocated remaining import capability for ISO load serving entities with existing resource adequacy contracts.
  - Requests received under step 13 will continue to be processed on first come first served basis; however the requests received from load serving entities that have a current unaccounted for resource adequacy contract will have priority over any other request received that day.

## Final proposal (continued)

5. Update tariff and reliability requirements business practice manual language with the proposed changes along with additional clarifications consistent with current practices.

# Overwhelming stakeholder support

- Support with caveats
  - California Community Choice Association
  - California Department of Water Resources
  - California ISO Department of Market Monitoring
  - Pacific Gas & Electric
  - Six Cities
  - Southwestern Power Group, Pattern Energy and Valley Electric Association
- Most caveats relate to details regarding maximum import capability expansion requests, addressed by the ISO in the final proposal
- Imperial Irrigation District
  - Fundamentally opposes the ISO's need for a simultaneous maximum import capability in the resource adequacy process; however given this, supports all of the enhancements