

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to
Oversee the Resource Adequacy
Program, Consider Program
Reforms and Refinements, and
Establish Forward Resource
Adequacy Procurement
Obligations.

Rulemaking 23-10-011
(Filed October 12, 2023)

**COMMENTS ON TRACK 1 PROPOSED DECISION
BY THE DEPARTMENT OF MARKET MONITORING OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

The Department of Market Monitoring (DMM) of the California Independent System Operator Corporation (CAISO) submits these comments to Judge Chiv's Proposed Decision R.23-10-011 Decision Adopting Obligations delivered on May 17, 2024.

I. Modifications to Import Rules

Allowing the BPA exemption to the non-resource-specific import rules, with modifications, may free up more import resource adequacy resources and ensure firm resource adequacy resources

DMM supports the BPA exemption to the non-resource-specific import rules with the California Public Utility Commission's (CPUC) modifications to their resource adequacy (RA) rules. DMM believes the rules requiring an attestation with the following conditions will ensure firm RA imports: (1) the importer owns the energy resources, (2) the resources are physically linked, (3) the capacity is unencumbered, (4) there is firm transmission to the CAISO BAA, (5) specified import RA bidding rules will be met, and (6) the energy will have equal priority to native load.

In 2018, DMM initially raised the issue that non-resource-specific import RA may not be available during critical system and market conditions to meet RA requirements.¹ DMM believes the requirements put forth in the May 17, 2024 Proposed Decision can ensure firm non-resource-specific import RA, and may provide more import RA to the CAISO system. DMM notes that CAISO market data is not sufficient to ensure precise monitoring of the requirements. However, DMM can work with the CPUC to identify the conditions in which the CPUC's requirements may be violated and might merit further investigation by the CPUC, such as if the RA imports are not delivered.

VI. Conclusion

DMM appreciates the opportunity to provide reply comments on Judge Chiv's Proposed Decision R.23-10-011 Decision Adopting Obligations delivered on May 17, 2024.

Respectfully submitted,

By: /s/ Ben Dawson, Ph.D.

Eric Hildebrandt, Ph.D.
Executive Director, Market Monitoring

Ben Dawson, Ph.D.
Market Monitoring Economist

California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: 916-608-7150
Email: bdawson@caiso.com

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¹ Department of Market Monitoring Special Report: *Import resource adequacy*, CAISO DMM, September 10, 2018:

<https://www.caiso.com/Documents/ImportResourceAdequacySpecialReport-Sept102018.pdf>