



Stakeholder Comments Template

Maximum Import Bid Price Analysis

This template has been created for submission of stakeholder comments on the Maximum Import Bid Price Analysis May 28, 2024 workshop and the paper that was published on May 24, 2024. The meeting presentation, and other information related to this analysis may be found on the webpage at: [Meetings | Miscellaneous meetings | California ISO \(caiso.com\)](#)

Upon completion of this template, please submit it to ISOSTakeholderAffairs@caiso.com.

Submitted by	Organization	Date Submitted
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Submissions are requested by close of business on **June 11, 2024**.

Please provide your organization's comments on the Maximum Import Bid Price Analysis paper, presentation and meeting:

The Six Cities appreciate the CAISO's publication of the analysis paper and holding of a stakeholder meeting to discuss the shaping factors that are used in the Maximum Import Bid Price ("MIBP") calculation. The Six Cities support consideration of changes to the calculation, and the CAISO's information is informative with respect to how the calculation has been implemented to date.

As a general matter, the Six Cities are concerned that the Business Practice Manual ("BPM") language and implementation of the MIBP shaping factor do not conform with requirements that are specified in the tariff. However sound or well-intentioned the methodology described in the BPM and implemented by the CAISO may be, it is not appropriate for BPM provisions and policy implementation to deviate in substantive ways from the rules in the tariff. Market participants should have confidence that the BPMs and implementation approaches are in alignment with tariff rules that have been stakeholdered and approved by the Federal Energy Regulatory Commission ("FERC"). At a minimum these differences should be reconciled either through a change in the tariff language (which would require a filing at FERC) or through BPM revisions.

Based on the analysis that the CAISO has presented, it appears that the two different interpretations of the shaping factor formula (i.e., the “literal” formula in the tariff and the “current” version as applied) can produce different results in different circumstances, but it is not obvious that one of the two current implementation methods is inherently superior. With that in mind, it may be advisable to, at a minimum, consider revisions to the BPM to conform the formula used there to the relevant provisions of the tariff, including to implement logic such that the price reference in the numerator and denominator of the formula for the hourly shaping factor are consistent. It would seem that this change could be implemented relatively quickly, given that no tariff revisions would be needed. Then, stakeholders and the CAISO could further consider if other changes to the shaping factor might be appropriate. For example, the CAISO notes that a longer term effort could include additional modifications, including to address how “high priced days” are defined, whether there should be consideration of regional pricing differences in the application of the MIBP, and exploration of a static shaping factor. The Six Cities support further consideration of these and related topics pertaining to the MIBP.

Additional comments

Please offer any other feedback your organization would like to provide on the
Maximum Import Bid Price Analysis:

The Six Cities have no further comments at this time.