

**Comments of Powerex Corp. on
Maximum Import Capability Stabilization and Multi-Year Allocation
Draft Final Proposal**

Submitted by	Company	Date Submitted
Mike Benn 604.891.6074	Powerex Corp.	August 4, 2020

Powerex appreciates the opportunity to submit comments on CAISO’s July 14, 2020 Maximum Import Capability Stabilization and Multi-Year Allocation Draft Final Proposal (“Draft Final Proposal”).

Powerex has previously expressed concern that the current Import Capability (“IC”) framework strands large amounts of IC by allocating it to load-serving entities (“LSEs”) that never actually use it to enter into import resource adequacy (“RA”) contracts. Powerex continues to believe that changes to the IC allocation process are necessary in order to prevent the stranding of IC and reduce barriers to the supply of RA from external resources—which is becoming increasingly important given the growing use of import RA contracts to meet California’s RA requirements.

The Draft Final Proposal would implement a process for entities to “lock in” an IC allocation beyond the current one-year-at-a-time process. Powerex agrees that providing certainty of receiving an IC allocation is likely beneficial to encouraging or supporting multi-year forward contracting for RA. Powerex is generally supportive of the proposed design of the multi-year lock process, as it requires an executed RA contract in order to receive a “pre-commitment” of IC ahead of the annual allocation. By designing the IC allocation to “follow” executed RA contracts, the multi-year process should help avoid stranding IC, and instead ensure it is allocated to entities that are using IC for RA purposes. Powerex also supports requiring that import RA contracts used to support a multi-year IC allocation must: (1) specify a physical resource, or aggregate of identified physical resources; and (2) apply to at least three summer months.

Powerex believes the design of the multi-year IC process represents a more efficient framework for allocating IC in a manner that will help allow LSEs to meet their RA requirements through contracts with external resources. Powerex continues to encourage CAISO to explore ways to extend these same principles to the annual IC allocation process as well.