

July and August 2021 Significant Event and Exceptional Dispatch Capacity Procurement Mechanism Designations Report

Designation Summary:

In July and August 2021, the California ISO issued Significant Event and Exceptional Dispatch Capacity Procurement Mechanism (CPM) designations to multiple generating units. The designations' effective dates are listed in the tables below and have a 30-day term.

CPM Significant Event Designations

Amount and Cost:

Resource ID	CPM MWs	Designated Start Date	CPM Type	Price \$/kW-mon	Tac Area
KRNCNY_6_UNIT	4.74	7/9/2021	SIG EVT	6.31	SYS
KRNCNY_6_UNIT	3.25	8/1/2021	SIG EVT	6.31	SYS
BLKCRK_2_GMCBT1	132.5	7/9/2021	SIG EVT	6.31	SYS
HINSON_6_LBECH1	5	7/9/2021	SIG EVT	6.31	SYS
HINSON_6_LBECH2	7	7/9/2021	SIG EVT	6.31	SYS
HINSON_6_LBECH3	7	7/9/2021	SIG EVT	6.31	SYS
HINSON_6_LBECH4	4	7/9/2021	SIG EVT	6.31	SYS
VESTAL_2_WELLHD	38	7/9/2021	SIG EVT	6.31	SYS
SBERDO_2_PSP4	45	7/9/2021	SIG EVT	6.31	SYS
SBERDO_2_PSP3	15	7/9/2021	SIG EVT	6.31	SYS
BUCKBL_2_PL1X3	51	7/9/2021	SIG EVT	6.31	SYS
ELKHIL_2_PL1X3	30	8/1/2021	SIG EVT	6.3	SYS
JOANEC_2_STABT1	20	7/12/2021	SIG EVT	6.31	SYS
BARRE_6_PEAKER	44	7/12/2021	SIG EVT	6.31	SYS
ARCOGN_2_UNITS	16.61	7/22/2021	SIG EVT	6.31	SYS
DRACKR_2_DSUBT3	81.25	8/2/2021	SIG EVT	6.31	SYS
VISTRA_5_DALBT4	100	8/2/2021	SIG EVT	6.31	SYS
OMAR_2_UNIT 1	0.72	8/2/2021	SIG EVT	6.31	SYS
OMAR_2_UNIT 2	1.52	8/2/2021	SIG EVT	6.31	SYS
OMAR_2_UNIT 3	2	8/2/2021	SIG EVT	6.31	SYS
OMAR_2_UNIT 4	2	8/2/2021	SIG EVT	6.31	SYS
SYCAMR_2_UNIT 1	3	8/2/2021	SIG EVT	6.31	SYS
SYCAMR_2_UNIT 2	5	8/2/2021	SIG EVT	6.31	SYS
SYCAMR_2_UNIT 3	73	8/10/2021	SIG EVT	6.31	SYS

Reason for CPM Significant Event Designations:

The California ISO (ISO) issued CPM Significant Event designations to the resources listed above to address a CPM Significant Event. A CPM Significant Event is “a substantial event, or a combination of events, that is determined by the CAISO to either result in a material difference from what was assumed in the resource adequacy program for purposes of determining the Resource Adequacy Capacity requirements, or produce a material change in system conditions or in CAISO Controlled Grid operations, that causes, or threatens to cause, a failure to meet Reliability Criteria absent the recurring use of a non-Resource Adequacy resource(s) on a prospective basis.”

On June 29, 2021, Marybel Batjer, President, California Public Utilities Commission, and David Hochschild, Chair, California Energy Commission, sent a letter to Elliot Mainzer, President of the ISO. (See joint statement and letter here) The letter cites several significant changes in the assumptions underlying the resource adequacy program and in system conditions, including: (1) significantly reduced hydroelectric production due to worsening drought conditions; (2) unforeseen limitations on output of thermal resources; (3) extreme heat events that have begun unseasonably early; (4) planned online dates for several new resources have been delayed beyond the summer; (5) further development of demand-side resources in response to emergency procurement authorizations remains uncertain; (6) resources sufficient to meet peak demand are not always adequate to support peak demand net of wind and solar generation (i.e., the net peak demand); and (7) the timeline of the resource adequacy compliance processes provide limited ability to address the changed conditions in the near term. The June 29 letter requests the ISO use its tariff-based authority to procure additional capacity in response to these factors. The ISO has concluded that the combination of these factors constitutes a CPM Significant Event, as that term is defined in the ISO tariff, and that the event may last through October.

The ISO has designated the resources noted above as CPM capacity to address the CPM Significant Event. The resources listed above offered capacity to the ISO to use under CPM, and that capacity was not procured previously as Resource Adequacy capacity. The CPM term is 30 days, as provided under the tariff, subject to adjustment and the payment provisions set forth in Section 43A of the ISO tariff. The CAISO offered 60-day extensions to the resources but none accepted.

Exceptional Dispatch CPM Designations**Amount and Cost:**

Resource ID	CPM MWs	Designated Start Date	CPM Type	Price \$/kW-mon	Tac Area
INTKEP_2_UNITS	121.42	7/9/2021	ED	6.31	SYS
MNDALY_6_MCGRTH	43	7/9/2021	ED	6.31	SYS
SYCAMR_2_UNIT 3	70	7/10/2021	ED	6.31	SYS

Reason for Exceptional Dispatch CPM Designations:

The ISO issued Exceptional Dispatch CPM designations to the resources listed above to address an Exceptional Dispatch CPM System Reliability Need. The ISO experienced a capacity deficiency in its balancing authority area that risked it not being able to meet load and reserve obligations. This was exacerbated by the factors described above that created the CPM Significant Event. The ISO issued the Exceptional Dispatches to address the capacity deficiency. The resources listed above responded to the Exceptional Dispatches and at least part of the capacity that responded was not Resource Adequacy capacity.

The CPM term for all of these resources is 30 days, as provided under the tariff, subject to adjustment and the payment provisions in Section 43A of the ISO tariff.

Prior CPM report information is available to download at:

<http://www.caiso.com/market/Pages/ReportsBulletins/Default.aspx>