

## Business Practice Manual Change Management Notice of Appeal and Opening Brief Template

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**Your Notice of Appeal and Opening Brief are due within ten (10) Business Days of the ISO’s published decision on the Proposed Revision Request.**

### Previous Comments on PRR

The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the “Six Cities”) submitted initial comments on PRR 1122. The comments addressed the following topics, which the Six Cities urge the CAISO to reconsider: (1) the CAISO’s proposed language regarding what constitutes inappropriate behavior for reporting forced outages is a substantive change inconsistent with the CAISO Tariff that impacts the CAISO’s evaluation of outage requests; and (2) the CAISO’s proposed language would treat as

submission of false or misleading information forced outages that have been submitted for a legitimate purpose.

## **Reason for Appeal**

### **I. INTRODUCTION**

The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (the “Six Cities”) submit the below appeal of the proposed changes to the Outage Management Business Practice Manual (“BPM”) regarding what the CAISO considers inappropriate reporting of forced outages. The CAISO’s final decision in PRR 1122 adopts language that is inconsistent with the CAISO Tariff and represents a substantive change to its existing policies. The CAISO’s new policy for evaluating outage requests also would treat as the submission of false or misleading information forced outages that have been submitted for a legitimate purpose. The CAISO has failed to support its final decision and has not addressed the negative impacts resulting from its new policy.

### **II. ARGUMENT**

#### **A. The CAISO’s New Outage Management Policy is a Substantive Change that is Inconsistent with the CAISO Tariff.**

Through its final decision on PRR 1122, the CAISO has added new language to the Outage Management BPM that states:

If the CAISO initially approves a requested planned transmission or generation outage and the CAISO subsequently disapproves the outage or withholds final approval, it is generally not appropriate for the PTO or scheduling coordinator for the generator to resubmit the same (or substantially similar) outage as a forced outage. Resubmitting the outage could be viewed as submitting 'false or misleading information' in violation of 18 CFR 35.41(b) and/or taking an outage not authorized by the ISO in violation of section 9 of the CAISO tariff.

The language quoted above is not simply a clarification of what the CAISO considered inappropriate behavior for reporting forced outages, but is a substantive change impacting the CAISO's evaluation of outage requests. Essentially, this language constitutes a new policy for the treatment of outage requests. CAISO Tariff Section 9.3.6.1.1, for example, permits a Scheduling Coordinator to submit a new request for a forced outage if a request to change a schedule for maintenance is not approved by the CAISO. The CAISO's proposed language would render the submission of the forced outage – which is expressly permitted by the Tariff – as an unauthorized outage or as submission of false or misleading information. This result is clearly inconsistent with the CAISO Tariff, and thus represents a substantive change that should not be adopted through the BPM Change Management Process. If the CAISO is seeking to change its outage management policies, it must do so through an official stakeholder process – not through the submission of a BPM change.

**B. The CAISO's Outage Management Policy Lacks Specificity, Providing the CAISO with Too Much Discretion In Determining what Constitutes Legitimate Submission of a Forced Outage.**

The CAISO's new outage management policy adopted through PRR 1122 would treat as submission of false or misleading information forced outages that have been submitted for a legitimate purpose. The fact that an outage was previously submitted as a planned outage does not automatically render it illegitimate if it must be re-submitted as a forced outage. Among other legitimate purposes, the outage may be necessary for maintenance or repair and may create reliability issues if not permitted. For example, an entity may need to work with specialized contractors in completing generator maintenance work, who cannot be easily re-scheduled for planned work in the event the CAISO disapproves a planned outage. In that case, it may be necessary to convert the outage from a planned outage to a forced outage. These issues arise

when scheduling contractors have long lead times to perform mandatory maintenance or required testing/calibrations. If the CAISO disapproves a planned outage, then the generator must choose between: (1) cancelling a contractor that may have been booked many weeks out and go out of compliance; or (2) submitting a forced outage. By characterizing the latter option as an unauthorized outage or submission of false or misleading information, the CAISO has created an unworkable situation for the generator.

The CAISO attempted to address some of these issues through its final decision on PRR 1122, but its revisions do not go far enough in providing Scheduling Coordinators and PTOs with the assurance that their forced outage submission will not be considered by the CAISO to be the submission of false or misleading information. The CAISO added examples of instances in which resubmission in the forced timeframe may be appropriate, including where:

. . . the planned outage was submitted because the need for addressing an imminent maintenance issue was identified shortly before the planned timeframe elapsed; the physical circumstances surrounding the outage request changed between the planned and forced timeframes (*e.g.*, equipment has failed in service or is now in danger of imminent failure); waiting until the next opportunity for a planned outage poses substantial operational risk to the transmission or generation equipment.

While the Six Cities appreciate the addition of such examples, they do not go far enough in providing assurance that legitimate outages will not be considered the submission of false or misleading information, and the revisions lack specificity with regard to how the CAISO will determine whether an outage is legitimate. There may be situations that do not fall within the examples listed above, and it is unclear from the CAISO's policy how it will evaluate those situations. The CAISO's revisions fail to specify any process or set of criteria that the CAISO will use to evaluate an outage. Instead, the CAISO's final decision in PRR 1122 provides the CAISO with complete discretion to decide whether or not resubmission of a planned outage as a

forced outage is legitimate or constitutes the submission of false or misleading information. At the very least, a determination that submission of a forced outage constitutes the submission of false or misleading information must be based on evidence of actual falsity, *i.e.*, a situation in which the resource owner or Scheduling Coordinator did not honestly describe the reason that a forced outage was needed. Where a resource owner or Scheduling Coordinator submits a forced outage that was previously submitted as a planned outage, but does so with a true and accurate description of the reasons for doing so, it would be inappropriate for the CAISO to treat this submission of a forced outage as the submission of false or misleading information, because no false or misleading information was, in fact, provided.

The CAISO needs to have a consistent and transparent process in place to make such a determination. Without more specificity, the CAISO's revisions do not provide any comfort that legitimate forced outages will not be inappropriately considered the submission of false or misleading information.

### **III. CONCLUSION**

For the foregoing reasons, the CAISO Appeal Committee should reverse the CAISO's final decision in PRR 1122 and require revisions or a stakeholder process consistent with this opening brief.