

RCST Significant Event / Repeat MOWD Report

Report Date: 10/26/07

Period: 7/8/07 – 7/14/07

MOWD Evaluations this period:	2
MOWD Evaluations for real-time commitments:	0
MOWD Evaluations for day-ahead commitments: <ul style="list-style-type: none"> • Mandalay Unit 2 • Ormond Beach Unit 2 	2
Evaluations involving commitments for system reliability: <ul style="list-style-type: none"> • Mandalay Unit 2 (Committed 5/1/07) • Ormond Beach Unit 2 (Committed 6/4/07, 6/5/07, 6/6/07, 7/8/07) 	
Evaluations involving commitments for zonal reliability: <ul style="list-style-type: none"> • Mandalay Unit 2 (Committed 6/12/07, 7/12/07) 	
Evaluations involving commitments for local reliability: <ul style="list-style-type: none"> • Mandalay Unit 2 (Committed 6/13/07) 	

Evaluation

During the reporting period, two MOWD Evaluations were conducted for units that were committed in the day-ahead timeframe.

Determination of commitment sequence and availability of resources

The day-ahead commitments were made by CAISO operations staff for various purposes. Mandalay Unit 2 was committed once for system energy, twice for zonal energy, and once for local purposes. Ormond Beach Unit 2 was committed four times for system energy. Except as noted below, the CAISO has verified that all applicable RA or RMR units were already committed on-line before MOWDs for non-RA and non-RMR resources were committed.

Significant Event determination

System

The day-ahead commitments included the following commitments for system purposes: Mandalay Unit 2 on 5/1/07 and Ormond Beach Unit 2 on four separate days (6/4/07, 6/5/07, 6/6/07, and 7/8/07).

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The commitment on 5/1 was a continuation of a commitment for Mandalay Unit 2, which began on 4/30 and had been evaluated in a previous weeks report¹. It was determined that a designation of resources was not required under the RCST tariff.

For 6/4, 6/5, and 6/6, Ormond Beach Unit 2 was committed for testing purposes, to ensure the units would be available during the summer if called upon. The CAISO typically performs these tests for both RA and non-RA generating units which have not been committed for several months. Because the unit was committed for unit-specific testing purposes rather than for an energy shortage or to address a specific reliability problem, the issue of whether or not RA capacity was available is moot. Likewise, the commitment of these units was not related to a Significant Event because there was no threat to meeting Applicable Reliability Criteria, nor was there a material difference to the assumptions used in developing the Local Resource Adequacy Requirements for 2007.

In review of 7/8, the CAISO expected that hot weather that started in the previous week was likely to continue into July 9. Ormond Beach Unit 2 was self-scheduled for the 7th and was to go off line for the 8th. Although the unit was not needed for the 8th and RA capacity was available, the operators decided to commit the unit for that day in order to ensure the unit would be available for the 9th, when a potential capacity shortage was anticipated. Due to the unit's long minimum down time rating, the operators were concerned that the unit might not be available for the 9th if they approved a waiver allowing the unit to go off line on the 8th. Because the CAISO committed the Ormond Beach Unit 2 in order to ensure its particular availability rather than to meet load, the issue of whether or not RA capacity was available on the 8th does not apply. Likewise, the commitment of this unit on the 8th was not related to a Significant Event on that day because there was no threat to meeting Applicable Reliability Criteria on such day, nor was there a material difference to the assumptions used in developing the Local Resource Adequacy Requirements for 2007.

Zonal

In addition to the commitment on 5/1, Mandalay Unit 2 was committed for zonal energy purposes on 2 days (6/12/07 and 7/12/07). In reviewing these commitments, the CAISO determined that on 6/12 it faced additional capacity needs in SP15 of beyond what was scheduled in the Day Ahead market, based on CAISO day-ahead forecasts. Although RA capacity was not exhausted, the CAISO committed Mandalay Unit 2 before other RA or RMR resources because the available RA units could not be started up in the time required.

On 7/12, additional capacity was needed in SP15 due to a planned outage which reduced the import transfer capability into the area. Although RA capacity was not

¹ Please refer to RCST Significant Event / Repeat MOWD Report for the time period 4/29/07 to 5/5/07.

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exhausted, the CAISO committed Mandalay Unit 2 before other RA or RMR resources because the available RA units could not be started up in the time required. Mandalay Unit 2 was already on-line due to self-commitment on July 11th.

The CAISO is not declaring the conditions leading to these commitments as a Significant Event because there was no material difference in ISO Controlled Grid operations relative to what was assumed in developing Local Resource Adequacy Requirements. The actual loads were lower than the CEC forecast and the CAISO forecast, and RA demonstrations exceeded the actual loads. Also, capacity was procured for a zonal reason not a local area reason. Finally, there was no evidence showing that the event was enduring in nature so as to necessitate a prospective designation of resources under the RCST Tariff.

Local

In addition to the system and zonal commitments on 5/1, 6/12, and 7/12, Mandalay Unit 2 was also committed on 6/13/07 for a local transmission issue in the LA Basin (details withheld to protect market sensitive information). The unit (and also Mandalay Unit 1 which will be reported next week) was needed to maintain reliability in the LA Basin due to planned outages on transmission equipment. In review of the procedures, it has been determined that the units were committed correctly. In addition, on both days the unit was committed only after other applicable RA units in the area had been committed. Non-Generation Solutions were not considered because local generation was needed to serve load in the LA Basin.

Although the unit was committed to maintain Applicable Reliability Criteria in the LA Basin, the CAISO is not declaring the local commitment as a Significant Event that requires designation of a unit under the RCST Tariff on a prospective basis because the duration of the event that caused the commitment on 6/13 was one day and the work is not expected to be required again for several years.



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As required per section 40.15.4 of the tariff², this report is signed by the CAISO Vice President of Operations.

Signed,

(original signed by)
Jim Detmers
Vice President of Operations
California ISO

Report purpose / Applicable tariff sections / Definitions

Please refer to the **Significant Event / Repeat MOWD Report Purpose** document by using the CAISO website URL below.

<http://www.caiso.com/1bed/1bed75c84d240.pdf>

² In the event that the ISO denies a must-offer waiver request for local or system reasons that do not constitute a Significant Event or is not due to a Resource Adequacy Resource non-performance, the report shall include an explanation for such issuance and shall be signed by the ISO's Vice President of Operations.