

INDEPENDENT ENERGY PRODUCERS

To: CAISO

From: Steven Kelly
Policy Director

Date: April 6, 2018

RE: Dispatch Operating Target (DOT) Tariff Clarification

As reported in its Market Notice, dated March 22, the issue related to the Dispatch Operating Target (DOT) of intermittent resources was originally raised in 2017 in the context of proposed changes to the CAISO Business Practice Manual (BPM). IEP and a number of parties raised concerns about the propose by which the CAISO proposed to make its changes as well as the proposed change(s), given the importance of the change(s) to various intermittent resources procured at the direction of the CPUC consistent with the state's resource loading order and other mandates (e.g. the Renewable Portfolio Standard). In response to stakeholder comments and concerns, the CAISO terminated its BPM-change proposal pending additional stakeholder discussion, review, and consideration.

Under the typical CAISO stakeholder process, the CAISO releases for stakeholder and comment (a) an Issue Paper – identifying the issue, (b) a draft Straw Proposal proposing a potential solution or range of solutions, (c) a revised Straw Proposal (as needed); and, (d) a Draft Final Proposal.

In regards to the recent DOT matter, the CAISO simply distributed via its Market Notice draft tariff language implementing the proposed change(s) sought by the CAISO. Importantly, stakeholders were not afforded an opportunity to consider the issue(s) more generally, nor were stakeholders provided an opportunity to discuss alternative approaches to addressing perceived concerns. Not only does this DOT process undermine the CAISO stakeholder process and cloud

the transparency of the CAISO's endeavors, it inappropriately and unnecessarily limits the discussion of issues and the range of possible solutions.

It is inappropriate to limit stakeholder input. Moreover, it is inappropriate to unilaterally propose a solution and then suggest that it was the product of the typically robust CAISO's stakeholder process. Accordingly, IEP is opposed to the CAISO proceeding with addressing the DOT matter under the process it has initiated.

As an alternative, IEP recommends that the CAISO initiate a "typical" stakeholder process in the DOT matter. Begin by circulating an Issue Paper so that parties understand the context of the need for any tariff change; elicit stakeholder input on alternative approaches or solutions through the draft proposal process; and, then circulate draft tariff language as needed and appropriate for stakeholder comment.