

## Dispatch Operating Target Tariff Clarification

Responses to Comments (submittal due date May 2, 2018)

Complete comments can be found [here](#).

Organization	Summary	CAISO Response
EDF	<ol style="list-style-type: none"><li>1. There is still an ambiguity about the CAISO's obligation to consider all effective economic bids before issuing Operating Instructions. In particular, the CAISO's response to stakeholder comments and questions on this point does not seem logically consistent.<ol style="list-style-type: none"><li>a. The CAISO correctly states that tariff Section 7.6 (referenced in the proposed tariff language) says it cannot assume "supervisory control" over other generating units "until it has used all bids effective in responding to the problem."</li><li>b. The CAISO then contends that this tariff provision does not require it to "exhaust all effective economic bids" before issuing an Operating Instruction and that "in some cases the economic bids may not satisfy or resolve a local or system constraint." However, if an economic bid does not "respond to the problem" or "satisfy or resolve a local or system constraint," then it is not "effective" and would not need to be considered under this tariff provision. In other words, the CAISO's contention does not relieve it of the requirement to consider all effective economic bids before issuing Operating Instructions.</li></ol></li><li>2. A statement that all effective economic bids should at least be considered (not necessarily "exhausted") before Operating Instructions are issued is an important clarification that should be included in the new tariff language explicitly. The CAISO can still issue Operating Instructions if the economic bids are not "effective" (e.g., the units aren't fast enough or in the right place, or are otherwise ineffective) or</li></ol>	<ol style="list-style-type: none"><li>1. The ISO disagrees. The ISO has the current authority to issue an Operating Instruction if system conditions pose a reliability risk. In the event that Operations is concerned that there are not sufficient effective bids for the market optimization to produce results needed to manage the system, Operating Instruction can be issued.<ol style="list-style-type: none"><li>a. The market optimization will use all effective bids to address system conditions.</li><li>b. However, knowing if there are sufficient economic bids is not actually known until after the market optimization is run. Thus, Operations may issue an Operating Instruction if concerned there will be insufficient bids.</li></ol></li><li>2. See above.</li></ol>

	<p>there are not enough such bids in total to fix the problem; however, those bids should be incorporated into the CAISO's response to operating problems, and used if possible before Operating Instructions are issued.</p>	
<p>NCPA</p>	<ol style="list-style-type: none"> <li>1. The updated tariff language specifies the CAISO can issue Dispatch Instructions and Operating Instructions. How will the market participants know whether the CAISO is issuing a Dispatch Instruction or an Operating Instruction?</li> <li>2. If the CAISO issues an Operating Instruction using written electronic communications, how will the CAISO know that the market participant received and acknowledged the written electronic communication?</li> <li>3. Following up on Question #2, if the CAISO determines the market participant has not received or acknowledged the written Operating Instruction, will the CAISO follow up with a phone call to the market participant, and issue a verbal Operating Instruction?</li> <li>4. If the CAISO issues an Operating Instruction using written electronic communications through a System Operating Message (SOM), will the SOM containing the Operating Instruction show up in the ADS application as a pop up message with audible alarm to alert the market participant?</li> <li>5. If the CAISO issues an Operating Instruction using written electronic communications through a System Operating Message (SOM), can the market participant call the CAISO for clarification or questions concerning the SOM?</li> </ol>	<ol style="list-style-type: none"> <li>1. A resource receives a Dispatch Instruction through ADS each 5-minute interval. An Operating Instruction is communicated according to NERC Standard COM-002-4.</li> <li>2. Currently, the acknowledgement for written electronic communications are only required for multi-party burst communications.</li> <li>3. It is not required pursuant to NERC Standard COM-002-4.</li> <li>4. The ISO is proposing an enhancement to ADS to include a flag that identifies when an Operating Instruction has been called. The ISO previously consider using the flag for the purpose of identifying when an EIR can generate as capable or must not exceed its DOT. Based on stakeholder comments during the previous call, the ISO proposes to use the ADS flag only for Operating Instructions. For Dispatch Instructions, Scheduling Coordinators should use the negative SUPP field to identify intervals in which the resource must not exceed its DOT. The ISO invites all participants to review ADS BRS and to participating in the release user group to provide additional input on the implementation of the flag.</li> <li>5. Generator operator always has an ability to contact Operators if clarification or concerns exist, however, this should be kept to a minimum.</li> </ol>

<p>NextEra</p>	<ol style="list-style-type: none"> <li>1. NextEra’s concerns on the proposal to date have not been addressed or resolved, and we continue to have concerns about Market Participant ability to reasonably comply with the ISO’s proposal, both from a physical resource standpoint and from a timing standpoint. We also have concerns that while ISO states that one purpose of the changes is to align the Tariff with NERC Standard COM-002-4, the proposed provision for communicating Operating Instructions is not consistent with the NERC Standard, and further clarity is needed.</li> <li>2. Operating Instructions – NextEra is concerned with the ISO’s change in protocol for issuing Operating Orders, which is now referred to as Operating Instructions. NextEra finds the CAISO’s proposal ambiguous as to whether compliance with the new protocols will require software installation and automation, changes that would require time to implement. While the proposal does not explicitly require ADS installation, it does not appear that the prior communication method – phone call, without ADS or other electronic capability – will still be available. If the current method is no longer available, generators will need time to comply. NextEra seeks the CAISO’s clarification in this regard.</li> <li>3. Time for compliance - NextEra believes we need up to six months to install software to automate compliance to adjust output with 5-minute Operating Instructions. Until software is installed we have to comply manually. Compliance with NERC protocols – NextEra maintains that the ISO should implement the NERC three-part communications protocols for oral and written instructions to a single entity associated with Operating Instructions, which includes a generator acknowledgement of the instruction to allow generators a reasonable means of managing a Conduct Rule violation liability. Absent formal and direct communication channels, NextEra may incur a significant cost burden to implement alternative electronic communication means that are sufficiently responsive, or NextEra may face significantly higher compliance risks.</li> <li>4. Operating Instruction when economic bids exist - The ISO should consider all effective economic bids before issuing Operating Instructions.</li> </ol>	<ol style="list-style-type: none"> <li>1. The ISO believes that the modification to the proposed tariff from the last iteration have provided additional clarity that addresses concerns regarding physical capability of resources. For example, the last sentence in section 34.13.1 addresses concerns raised during the previous stakeholder call.</li> <li>2. The ISO has not proposed any change in protocol with regards to issuing an Operating Instruction or a previous operating order. Operating Instructions will continue to be communicated according to NERC Standard COM-002-4. In addition, the ISO has proposed an enhancement to ADS to add an additional flag that indicates when an Operating Instruction has been issued.</li> <li>3. Existing communications through a resources scheduling coordinator are sufficient to comply with Operating Instructions. There is no change in compliance as a result of these tariff clarifications.</li> <li>4. The ISO has the current authority to issue an Operating Instruction if system conditions pose a reliability risk. In the event that Operations is concerned that there are not sufficient effective bids for the market optimization to produce results needed to manage the system an Operating Instruction can be issued.</li> </ol>
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PG&E	<ol style="list-style-type: none"> <li>1. PG&amp;E got the sense that market participants were struggling with the clarification on the difference between not following an ADS dispatch without an Operating Instruction from the CAISO and with one. On the call, PG&amp;E recognized that the CAISO intent to communicate the difference may have been missed or not completely understood by the market participants.</li> <li>2. Not complying with an “Operating Order” soon to be issued as an “Operating Instruction” is currently a violation of CAISO Tariff 37.2.1 “A Market Participant’s failure to obey an operating order containing multiple instructions to address a specific operating condition will result in a single violation” Note, no specific sanctions are mentioned in the Tariff for this violation.</li> <li>3. Not complying with an ADS Dispatch Instruction (DOT) is currently not a violation of the Tariff however the resource is subject to Uninstructed Imbalance energy. The CAISO did mention that if a resource is found to be “Strategically” not complying with ADS instructions then the CAISIO can inform FERC.</li> <li>4. The table provided (in the <a href="#">full text</a> of their comments) is PG&amp;E’s attempt to capture the expected actions for these various conditions. PG&amp;E suggests that the CAISO communicates something similar as this chart illustrates to all Market Participants to ensure success among all parties involved...CAISO, SC’s, VER Resources, etc.</li> </ol>	<ol style="list-style-type: none"> <li>1. The purpose of this stakeholder process is to provide additional clarity.</li> <li>2. Correct.</li> <li>3. Correct.</li> <li>4. The ISO appreciates the table and will add a similar table to the BPM.</li> </ol>
Phoenix Consulting	Suggested edits were provided directly to the Tariff language.	See edits to the Tariff language.
WPTF	<ol style="list-style-type: none"> <li>1. <b>Obligations for resources to follow their DOT under different circumstances.</b> WPTF has inserted proposed comments and redlines on the proposed tariff language in a separate document.</li> </ol>	<ol style="list-style-type: none"> <li>1. See edits to the Tariff language.</li> <li>2. The ISO has the current authority to issue an Operating Instruction if system conditions pose a reliability risk. In the event that Operations is</li> </ol>

	<p>2. <b>Practices and processes for the CAISO to issue lengthy Operating Instructions to VERs.</b> On the last tariff call, on April 13, many stakeholders gave the impression that several recent Operating Instructions were out-of-step with tariff requirements surrounding when the CAISO has authority to obtain supervisory control over Generating Units. Participants referred to several recent days where Operators issued day-long Operating Instructions to EIRs to follow their DOTs while they concurrently had economic offers in the market place that were not taken. No system emergency was called, and so participants stated they were under the impression that tariff section 7.6 governed the CAISO’s ability to issue Operating Instructions.</p> <p>WPTF observes that this disconnect does seem to be continued in the proposed tariff language as the CAISO proposes the following language which directly refers to 7.6,  <i>Notwithstanding the above, the CAISO may issue an Operating Instruction directing the Eligible Intermittent Resource not to exceed its Dispatch Operating Target if necessary to maintain system reliability consistent with Sections 7.6 or 7.7 of the CAISO tariff</i></p> <p>Section 7.6 indicates that in order for the CAISO to give Operating Instructions, not only is it expected that, “the operational circumstances will be so severe that a Real-Time system problem or emergency condition could be in existence or imminent” but also that,  <i>Only when the CAISO has used the Energy and Ancillary Services that are available to it under such Energy and Ancillary Services Bids which prove to be effective in responding to the problem and the CAISO is still in need of additional control over Generating Units, shall the CAISO assume supervisory control over other Generating Units.</i></p> <p>WPTF therefore asks the CAISO to clarify the Operating Instruction process and provide additional detail to participants on when the CAISO will rely on each curtailment tool; economic, self-schedule, exceptional dispatch, and operating instruction.</p> <p>3. <b>Transparency on curtailments due to Operating Instructions.</b> WPTF believes that the amount of renewable energy reduced through</p>	<p>concerned that there are not sufficient effective bids for the market optimization produce results needed to manage the system and Operating Instruction can be issued. The market optimization will use all effective bids to address system conditions. However, knowing if there are sufficient economic bids is not actually known until after the market optimization is run. Thus, Operations may issue an Operating Instruction if concerned there will be insufficient bids.</p> <p>3. The ISO will utilize the new ADS flag to identify an Operation Instruction has been called and will include this information in the MPPF presentation.</p>
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