

Comments Of SPower On Draft Tariff Language For the CAISO Dispatch Operating Target Tariff Clarification Initiative

SPower appreciates this opportunity to offer comments on the tariff language posted in the CAISO's new Dispatch Operating Target (DOT) Tariff Clarification Initiative. This initiative continues the CAISO's earlier efforts (most recently through Proposed Revision Request (PRR) 1004 in the BPM Change Management Process) to define the obligation of Eligible Intermittent Resources (EIRs) to follow CAISO operational directions, vs. the desire of these resources to produce as much as they are able.

Several SPower concerns are summarized below. However, before addressing the substantive issues, SPower has one process comment.

The typical CAISO stakeholder process (cited at the start of nearly every stakeholder initiative meeting) has a natural progression from Issue Paper to Straw Proposal to Draft Final Proposal to Final Proposal/decision, with tariff language posted only after a final decision is made.

The CAISO should seriously consider stepping back and re-launching this initiative under its usual stakeholder process, or at least an expedited version of it. While the comments here reflect the brief slides posted and some informal discussions with CAISO personnel, SPower is concerned that that the CAISO's objectives and intent of the posted language are not clearly stated.

In addition, as noted below, there are many implementation details that should be discussed before the tariff language is filed. Adjustments to the tariff language may be warranted to ease or make feasible implementation of the proposed changes.

Tariff concerns & implementation issues

The proposed changes appear intended to allow EIRs to produce to their capability, i.e., to exceed the Dispatch Operating Target (DOT) in an ADS Dispatch Instruction unless they receive an Operating Instruction ordering them to follow the Dispatch Instruction. These changes would remove a major inconsistency between the tariff and CAISO operating practice by allowing EIR production above the DOT under most conditions. However, the elements below are still unclear.

- **Retention of the tariff provision that failure to follow what is now called Operating Instructions is a CAISO Market Rule violation, but that failure to follow ADS Dispatch Instructions is not.**

SPower's understanding from the posted slides is that the CAISO is proposing to implement this proposal by essentially issuing an Operating Instruction (requiring EIR compliance) through "a negative SUPP flag set to yes" within an ADS Dispatch Instruction. (Normally, that flag would be set to "No" unless the instruction is pursuant to submission of an economic bid, which then requires the EIR to comply.)

However, embedding an Operating Instruction within an ADS Dispatch Instruction blurs the difference between them. Would this turn the ADS Dispatch Instruction as a whole into an Operating Instruction? Some clarification on this point would be helpful, or more clarity on the overall implementation plan.

- **Requirements to exhaust effective Economic Bids before issuing Operating Instructions.** The new provision requiring EIRs to follow Dispatch Instructions when an Operating Instruction is issued references existing CAISO tariff Section 7.6. That tariff section requires exhaustion of effective economic bids first. This provision is an important clarification that should be included in the new tariff language explicitly.

- **Compliance ability for resources without ADS.** Some EIRs do not have ADS access and thus may not directly receive ADS Dispatch Instructions, including those with the new ADS flag requiring compliance with the Dispatch Instruction. Under the terms of their Power Purchase Agreements (PPAs), those resources produce as much as they can unless directed not to do so by their off-takers/Scheduling Coordinators (often the same parties under this kind of arrangement), so there has been no need for such resources to install access to ADS and/or monitor ADS Dispatch Instructions closely.

The CAISO has said that all generators “can get ADS access directly if their Scheduling Coordinators request it,” but the cost and other implications of this additional operational requirement are not clear and should be discussed.