	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	


Table of Contents

PURPOSE	1
PROCEDURE	2
1.0 Determine Local Capacity Commitment Areas and Generation Requirements	2
2.0 Publish Local Capacity Commitment	3
3.0 Schedule Transactions	4
SUPPORTING INFORMATION	6
Affected Parties.....	6
Responsibilities.....	6
Policy	6
References.....	6
Definitions.....	7
Version History	7
TECHNICAL REVIEW	8
APPROVAL	8
APPENDIX	9
Attachment A: PG&E Area Capacity Commitment	9
Attachment B: SCE Area Capacity Commitment.....	9
Attachment C: SDG&E Area Capacity Commitment	9

PURPOSE

Provides local capacity commitment information to CAISO Market Participants for the purpose of:


- Listing CAISO local area incremental capacity commitment (i.e., the Capacity Commitment Table assumes commitment of non-listed resources like QFs, nuclear and RMR),
- Improving feasibility of Day-Ahead schedules,
- Enhancing reliable Grid operations and local area reliability.

 California ISO Your Link to Power	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

PROCEDURE


1.0 Determine Local Capacity Commitment Areas and Generation Requirements

Step	Operations Engineering Actions	
1	Assess Grid operations to determine Local Capacity Commitment Areas (see Attachments A, B, and C.) that affect reliable Grid operations or local area reliability of portions of the CAISO Balancing Authority Area.	
2	IF... Any Local Capacity Commitment Areas are determined to exist,	THEN... <ul style="list-style-type: none"> • Determine the megawatt quantities of generating capacity that must be online in each Capacity Commitment Area for corresponding forecasted hourly Load levels. <ul style="list-style-type: none"> – List these generation capacity quantities in the applicable Attachments. – Utilize a “tiered” format in the area Load forecast column. • Determine Generating Units that may satisfy the capacity requirements within the individual Local Capacity Commitment Areas <ul style="list-style-type: none"> – List these feasible Generating Units in the applicable Attachments A, B, and C. – Assume RMR Nuclear, QF, and quick-start generation where appropriate.
3	Review the Local Capacity Commitment Areas periodically to determine whether they should be modified.	

 California ISO Your Link to Power	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

**2.0 Publish
Local Capacity
Commitment**

Step	Operations Support Actions					
1	Post the Local Capacity Commitment Tables on the CAISO web site (Attachments A, B, and C).					
2	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #e0ffff;">IF ...</th> <th style="background-color: #e0ffff;">THEN...</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">A Local Capacity Commitment Table is revised,</td> <td style="padding: 5px;">Send a Market Notice to all Market Participants advising of the change.</td> </tr> </tbody> </table>		IF ...	THEN...	A Local Capacity Commitment Table is revised,	Send a Market Notice to all Market Participants advising of the change.
IF ...	THEN...					
A Local Capacity Commitment Table is revised,	Send a Market Notice to all Market Participants advising of the change.					
Step	Function					
3	The CAISO automatically posts minimum daily Generation capacity requirements for each applicable Local Capacity Commitment area to the CAISO website (The Grid / Load) using a rolling seven day forecast.					


 California ISO Your Link to Power	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

3.0 Schedule Transactions


Load Serving Entities (LSEs) that have dispatch authority over Generating Units within any Local Capacity Commitment Area in which the LSE serves load must complete the following each day for all block hours:

Step	Load Serving Entity Actions
1	Review the CAISO Website (The Grid / Load) to determine the Generation capacity requirement for the respective Local Capacity Commitment Area. The Generation capacity requirement shall be the lesser of <ol style="list-style-type: none"> 1) the capacity amount based on the CAISO Website posting one day prior to the WECC <u>trade</u> date for the operating day, <li style="text-align: center;">or 2) the CAISO Website posting one day prior to the operating day.
2	Determine the required generation capacity for each block of hours of the operating day.
3	Schedule sufficient energy (at Pmin or greater) from the designated Units to meet the capacity requirement.

Step	CAISO Day-Ahead Actions	
4	Upon the close of the Day-Ahead Market, the Day-Ahead Grid Resource Coordinator shall ...	The Shift Supervisor and operators shall ...
	Provide a summarization of scheduling to be used against the published capacity tables to the Shift Supervisor,	Use this scheduling summary for review purposes in their security assessments.

 California ISO Your Link to Power	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

5	<table border="1" style="width: 100%;"> <thead> <tr> <th style="background-color: #e0ffff;">If...</th> <th style="background-color: #e0ffff;">Then...</th> </tr> </thead> <tbody> <tr> <td>Sufficient capacity is not committed after the close of the Day Ahead Market and the Must Offer Unit Commitment process,</td> <td>Commit additional Generation through the RA and Must-Offer Waiver Denial process as necessary.</td> </tr> </tbody> </table>		If...	Then...	Sufficient capacity is not committed after the close of the Day Ahead Market and the Must Offer Unit Commitment process,	Commit additional Generation through the RA and Must-Offer Waiver Denial process as necessary.
If...	Then...					
Sufficient capacity is not committed after the close of the Day Ahead Market and the Must Offer Unit Commitment process,	Commit additional Generation through the RA and Must-Offer Waiver Denial process as necessary.					

	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

SUPPORTING INFORMATION

Affected Parties

- Load Serving Entities

Responsibilities

CAISO Operations Engineering	Determine Local Capacity Commitment Area Generation Requirements. Publish, and modify the Local Capacity Commitment Tables, as needed.
CAISO Market Operations	Provide a summarization of scheduling against the published capacity tables to the Shift Supervisor.
Load Serving Entities	Schedule forward transactions in a manner that results in the timely on-line operation of Generating capacity within the affected Local Capacity Commitment Area and according to the Capacity Commitment Tables.


Policy

The CAISO will post this Operating Procedure, including Attachments, on its website. The procedure will remain effective indefinitely, dependent on future PUC action. The Capacity Commitment Tables are made available on the CAISO's website to all market participants in a timely nondiscriminatory manner.

References

Resources studied in the development of this procedure and that may have an effect upon some steps taken herein include but are not limited to:

- **CPUC Resolution** [Resolution E-3888 Approval – 8/19/04](#)

	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	


Definitions

Unless the context otherwise indicates, any word or expression defined in the Master Definitions Supplement to the CAISO Tariff shall have that meaning when capitalized in this Operating Procedure.

Capacity Commitment Table	Tables posted on the CAISO’s web site that provide requirements from on-line Generating Units within Local Capacity Commitment Areas to improve feasibility of forward schedules and to maintain sufficient local area reliability.
Local Capacity Commitment Area	An area that is defined by a list of units that reside in that area within which the CAISO requires certain Generation to be on-line in order to maintain sufficient local area reliability.

Version History

Version	Change	By	Date
1.0	New Procedure		8/10/04
1.1	Removed comments about “adjacent” local capacity commitment areas.		9/3/04
1.2	Clarified commitment is with LSE that serves the load.		9/28/04
1.3	Removed EL Segundo as RMR and added Mountain View 3/4		12/21/05
1.4	Revised attachment M438B to address that there are no longer any RMR units in SCE & added attachment A for PG&E and attachment C for SDG&E Area requirements.		12/8/06
1.5	Added Step 5 in Section 3.		1/3/07
2.0	More clarification to Sections 1 and 2. Changed forecasted load to tier system.		1/29/07
3.0	Change Section 3, Step 1.		3/7/07


 California ISO Your Link to Power	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

TECHNICAL REVIEW

Reviewed by Content Expert	Signature	Date
Operations Support		
Regional Transmission		
Grid Ops		
Market Ops		
Outage Management		
Scheduling		
Legal & Regulatory		

APPROVAL

Approved By	Signature	Date
Director of Regional Transmission		
Director of Grid Operations		

	Operating Procedure	Procedure No.	M-438
		Version No.	3.0
		Effective Date	3/7/07
Local Area Reliability Capacity Commitment		Distribution Restriction: None	

APPENDIX

Attachment A: PG&E Area Capacity Commitment

Attachment B: SCE Area Capacity Commitment

Attachment C: SDG&E Area Capacity Commitment
