

August 15, 2014

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: California Independent System Operator Corporation  
Docket Nos. ER06-615-\_\_\_\_ and ER07-1257-\_\_\_\_  
Market Disruption Report**

Dear Secretary Bose:

The California Independent System Operator Corporation (ISO) hereby submits its June/July report covering Market Disruption reportable events under Section 7.7.15 of its FERC Electric Tariff (ISO Tariff) that occurred from June 16, 2014 to July 15, 2014.<sup>1</sup>

Please contact the undersigned with any questions.

Respectfully submitted,

**By: /s/ Anna A. McKenna**

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<sup>1</sup> The ISO submits the Market Disruption report pursuant to *California Independent System Operator Corp.*, 126 FERC ¶ 61,211 (2009), and Section 7.7.15.4 of the ISO Tariff.



**California ISO**  
Shaping a Renewed Future

# **Market Disruption Report June 16, 2014 to July 15, 2014**

August 15, 2014

ISO Market Quality and Renewable Integration

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## I. Background

A Market Disruption is an action or event that causes a failure of a CAISO Market, related to system operation issues or System Emergencies.<sup>1</sup> Pursuant to Section 7.7.15 of the ISO Tariff, the California Independent System Operator Corporation (ISO or CAISO) can take one or more of a number of specified actions in the event of a Market Disruption, to prevent a Market Disruption, or to minimize the extent of a Market Disruption. The ISO reports Market Disruption occurrence in any of the following circumstances:

- When any of the ISO market processes fail to publish, including the Integrated Forward Market (IFM), Residual Unit Commitment (RUC), the Real-Time Market, which includes the Hour-Ahead Scheduling Process (HASP), Fifteen Minute Market (FMM), and the Real-Time Dispatch (RTD) processes;
- When the ISO manually overrides the closing of the Day-Ahead Market; or
- Any time that the ISO removes Bids from a CAISO Market to prevent a Market Disruption or to minimize the extent of a Market Disruption.

The Market Disruption report contains the following information:

- The frequency and types of actions taken by the ISO pursuant to Section 7.7.15;
- The nature of the Market Disruptions that caused the ISO to take action, or the Market Disruptions that were successfully prevented or minimized by the ISO as a result of taking action, and the ISO's rationale for taking such actions pursuant to Section 7.7.15;
- Information about the Bids (including Self-Schedules) removed pursuant to Section 7.7.15 (*i.e.*, megawatt quantity, point of interconnection, specification of the Day-Ahead versus Real-Time Bid, and Energy or Ancillary Services Bid); and
- The ISO's rationale for its removal of Bids (including Self-Schedules) pursuant to Section 7.7.15.<sup>2</sup>

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<sup>1</sup> These system operation issues or System Emergencies are referred to in Sections 7.6 and 7.7, respectively, of the ISO Tariff. ISO Tariff, Appendix A, definition of Market Disruption. Capitalized terms not otherwise defined herein have the meanings set forth in the ISO Tariff.

<sup>2</sup> *Id.* at P 29 & n.29.

**II. Report on Market Disruptions Occurring from June 16, 2014 through July 15, 2014**

The ISO’s report on Market Disruptions that occurred during the time period from June 16, 2014 through July 15, 2014, is provided in Table 1 and Attachment A below. Attachment A includes an entry for each reportable Market Disruption event and each entry also indicates:

- (1) The date of the Market Disruption;
- (2) The hour and Dispatch Interval when the Market Disruption ended;
- (3) The type of CAISO Market in which the Market Disruption occurred; and
- (4) A description of the nature of the Market Disruption, the nature of any actions taken by the ISO, the rationale for such actions, and the Market Disruption prevented or minimized as a result of taking such actions.

For each of the CAISO Markets, Table 1 lists the number of Market Disruptions and the number of times that the ISO removed Bids (including Self-Schedules) during the time period covered by this report. As shown in Table 1, there were a total of 26 Market Disruptions for the reporting period, all of which occurred in the real-time. Table 1 also indicates that the ISO did not remove any Bids (including Self-Schedules) in any of its markets during the reporting period.

On May 1, 2014, the ISO adopted its new FMM and fifteen minute scheduling in the real-time.<sup>3</sup>

**Table 1: Summary of Market Disruption Report**

| Type of CAISO Market             | Market Disruption or Reportable Events | Removal of Bids (including Self-Schedules) |
|----------------------------------|--|--|
| <b>Day-Ahead</b>                 |  |  |
| IFM                              | 0                                      | 0  |
| RUC                              | 0                                      | 0  |
| <b>Real-Time</b>                 |  |  |
| Fifteen Minute Market Interval 1 | 0                                      | 0  |
| Fifteen Minute Market Interval 2 | 0                                      | 0  |
| Fifteen Minute Market Interval 3 | 4                                      | 0  |
| Fifteen Minute Market Interval 4 | 1                                      | 0  |
| Real-Time Dispatch               | 21                                     | 0  |

<sup>3</sup> *California Indep. Sys. Operator Corp.*, 146 FERC ¶ 61,204 (2014).

Table 1 above shows the market disruptions in the real time market in order to incorporate the FMM binding intervals.

Table 1 and Attachment A indicate that there were 5 instances of FMM disruptions and 0 instances of HASP disruptions during this reporting period. The count of FMM failures decreased by 12 to 5 compared with the June 2014 Report. Most of the RTD, FMM instances (10 instances) were caused due to Patch Deployment. The frequency of RTD failures decreased by 43 from 64 such instances reported in the June 2014 Report. Most of the RTD failures (14 instances) were due to planned maintenance. RTD failures accounted for approximately 81 percent of all of the Market Disruptions during this reporting period.

The frequency of RTD failures in this report was 21. On June 18, there were 4 RTD failures, and 3 FMM disruptions due to DB promotion. On June 30, there were 6 RTD failures, due to patch deployment.

ISO had deployed and activated the Spring 2014 release effective May 1, 2014. The implementation of Spring 2014 release system changes was completed for activation of the Spring 2014 release projects as follows:

- FERC Order 764 Compliance / 15-Minute Market
- Post Emergency Filing BCR changes / Mandatory MSG, combined with RIMPR-Phase 1 / BCR Mitigation Measures / Bid Floor Cap
- Revisions to Price Corrections
- RDRP activation / FERC 745 Compliance

There were about 19 failures during this reporting period due to planned maintenance combined in RTD, FMM.

## **ATTACHMENT A**

**California Independent System Operator Corporation  
Market Disruption Report  
August 15, 2014**

**Table 3: Market Disruptions, Nature of Actions Taken by the California ISO, Rationale and/or Market Disruption Prevented or Minimized as a Result of such Actions**

| <b>Count</b> | <b>Date</b> | <b>Hour</b> | <b>Interval</b> | <b>Market</b> | <b>Nature of Actions, Nature of Market Disruption, Rationale and/or Market Disruption Prevented or Minimized as a Result of such Actions</b>   |
|--------------|-------------|-------------|-----------------|---------------|--|
| 1            | 6/16/2014   | 16          | 3               | RTD           | RTD was run in Manual Planned maintenance, due to Patch deployment   |
| 2            | 6/16/2014   | 16          | 3               | FMM           | FMM did not run due to application problem. This interval was filled either automatically or interactively. MQS published Pnode clearing and resource awards for this interval.  |
| 3            | 6/16/2014   | 16          | 4               | RTD           | RTD was run in Manual Planned maintenance, due to Patch deployment   |
| 4            | 6/16/2014   | 18          | 3               | RTD           | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval.  |
| 5            | 6/17/2014   | 2           | 5               | RTD           | RTD Broadcast failed. Loss clearing payload and LMP filled from previous good interval.  |
| 6            | 6/18/2014   | 24          | 3               | FMM           | FMM did not run due to application problem. This interval was filled either automatically or interactively. MQS published Pnode clearing and resource awards for this interval. Planned maintenance, Due to DB Promotion |
| 7            | 6/18/2014   | 24          | 3               | FMM           | FMM was run in Manual Planned maintenance, Due to DB Promotion   |

| Count | Date      | Hour | Interval | Market | Nature of Actions, Nature of Market Disruption, Rationale and/or Market Disruption Prevented or Minimized as a Result of such Actions   |
|-------|-----------|------|----------|--------|---|
| 8     | 6/18/2014 | 24   | 4        | FMM    | FMM did not run due to application problem. This interval was filled either automatically or interactively. MQS published Pnode clearing and resource awards for this interval, Due to DB Promotion |
| 9     | 6/18/2014 | 24   | 11       | RTD    | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval. Planned maintenance, Due to DB Promotion  |
| 10    | 6/18/2014 | 24   | 11       | RTD    | RTD was run in Manual Planned maintenance, Due to DB Promotion  |
| 11    | 6/18/2014 | 24   | 12       | RTD    | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval. Planned maintenance, Due to DB Promotion  |
| 12    | 6/18/2014 | 24   | 12       | RTD    | RTD was run in Manual Planned maintenance, Due to DB Promotion  |
| 13    | 6/25/2014 | 15   | 3        | RTD    | RTD was run in Manual Planned maintenance, Due to Patch deployment  |
| 14    | 6/26/2014 | 1    | 1        | RTD    | RTD results were blocked and previous solution used.  |
| 15    | 6/26/2014 | 17   | 6        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |
| 16    | 6/30/2014 | 14   | 3        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |



| Count | Date      | Hour | Interval | Market | Nature of Actions, Nature of Market Disruption, Rationale and/or Market Disruption Prevented or Minimized as a Result of such Actions   |
|-------|-----------|------|----------|--------|---|
| 17    | 6/30/2014 | 14   | 7        | RTD    | RTD Broadcast failed. Loss clearing payload and LMP filled from previous good interval.   |
| 18    | 6/30/2014 | 14   | 8        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |
| 19    | 6/30/2014 | 14   | 9        | RTD    | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval.   |
| 20    | 6/30/2014 | 14   | 10       | RTD    | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval.   |
| 21    | 6/30/2014 | 14   | 11       | RTD    | RTD did not run due to application problem. Loss clearing payload and LMP filled from previous good interval.   |
| 22    | 7/1/2014  | 19   | 3        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |
| 23    | 7/8/2014  | 17   | 3        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |
| 24    | 7/8/2014  | 17   | 4        | RTD    | RTD was run in Manual Planned maintenance, due to Patch deployment  |
| 25    | 7/15/2014 | 14   | 3        | RTD    | RTD was run in Manual Planned maintenance   |
| 26    | 7/15/2014 | 14   | 3        | FMM    | FMM did not run due to application problem. This interval was filled either automatically or interactively. MQS published Pnode clearing and resource awards for this interval. |

| Notes:   |
|--|
| Integrated Forward Market (IFM): The Day-Ahead Market run in which the ISO conducts the market for purchases and sales of Energy for all hours of the next Trading Day based on submitted supply and demand bids, and performs the procurement of Ancillary Services.  |
| Residual Unit Commitment (RUC): The Day-Ahead Market run in which the ISO conducts unit commitment of additional resources based on submitted availability bids and the forecast of demand for every hour of the next Trading Day.   |
| Fifteen Minute Market (FMM) Interval 1: The first of a series of four market runs conducted every Trading Hour in advance of the Operating Hour. In this run the ISO conducts the Market Power Mitigation and Reliability Requirement Determination for submitted Bids, which applies to all of the Real-Time Market processes for the given Trading Hour. In this interval the ISO also conducts the procurement of incremental Ancillary Services from internal resources and dynamic external resources.  |
| Fifteen Minute Market (FMM) Interval 2: The second of a series of four market runs conducted every Trading Hour in advance of the Operating Hour during which the ISO conducts the HASP. In the HASP, the ISO conducts the procurement and sale of Energy and Ancillary services from non-dynamic System Resources based on submitted Bids and the CAISO Forecast of CAISO Demand. In this interval the ISO also conducts the advisory procurement of incremental Ancillary Services from internal resources and dynamic external resources from T to T+60 minutes and procurement for the given Trading Hour. |
| Fifteen Minute Market (FMM) Interval 3: The third of a series of four market runs conducted every Trading Hour. During this interval the ISO conducts the commitment of internal Short-Start and Fast Start Units for the Time Horizon of T-30 minutes to T+240 minutes. In this interval the ISO also conducts the procurement of incremental Ancillary Services from internal resources and dynamic external resources for the given Trading Hour.   |
| Fifteen Minute Market (FMM) Interval 4: The fourth of a series of four market runs conducted every Trading Hour. This interval is for the Fifteen Minute Market for the T-105 minutes to T+60 minutes time horizon. In this interval the ISO also conducts 15-minute Ancillary Service Awards for non-Hourly System Resources, internal resources and dynamic external resources for the given Trading Hour.   |
| Real-Time Dispatch (RTD): The five minute interval of any given Operating Hour during which the ISO conducts the market for Energy based on submitted bids and the CAISO Forecast of CAISO Demand.   |

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 15<sup>th</sup> day of August, 2014.

*Jennifer Rotz*

Jennifer Rotz