

# California Department of Water Resources State Water Project

---

## California Department of Water Resources State Water Project Comments On Exceptional Dispatch Mitigation in Real Time Revised Draft Proposal

November 14, 2012

On October 31, 2012, CAISO posted the Exceptional Dispatch Mitigation in Real Time Revised Draft proposal. On November 6, 2012, CAISO hosted a conference call with stakeholders to review this revised draft proposal. California Department of Water Resources State Water Project (SWP) appreciates the opportunity to provide comments.

Once the Dynamic Competitive Path Assessment (DCPA) is implemented in the spring of 2013, the static list of path designations that determines whether an Exceptional Dispatch (ExD) should be mitigated will be eliminated. To address this issue, the CAISO has proposed a two-criterion test to determine the competitiveness of most constraints. CAISO will utilize historical data from the past 60 trade dates to create a set of path designations that will be used in applying mitigation to ExDs. If the constraint passes the two following thresholds, it will be deemed competitive.

- Congestion Threshold: Congested in 10 hrs or more in the RTUC market run where the DCPA is calculated (An exception will be made for Path 15 and Path 26 in which the paths will still be considered competitive even if the path constraints were congested for less than 10 hours of the test period).
- Competitive Threshold: If deemed competitive for 75% or more of the instances where the constraint was binding and tested.

If deemed non-competitive the ExD will be mitigated to the better of the resource's Default Energy Bid or the Locational Marginal Price. The set of designations will be updated no less than every seven days and in the case that there is insufficient testing, the path will be deemed non-competitive. The CAISO is proposing to also use the above methodology in the case the DCPA fails.

The CAISO issued a Revised Draft Proposal to discuss alternative methods to deem competitiveness for ExD and to provide reasoning behind the congestion threshold of 10hrs or more and the competitive threshold of 75% or more. No design changes have been made in CAISO's approach in determining if a constraint is competitive or non-competitive from the Draft Proposal issued on September 4, 2012.

Comments:

SWP believes that CAISO's proposal to designate whether a path is competitive or non-competitive upon the release of the DCPA is reasonable. Although this proposed approach is an improvement to the current method of setting path designations, SWP recommends that the CAISO monitor this market design to evaluate if the fixed threshold values and use of historical data from the past 60 days are adequate to keep ExD at reasonable costs.