

November 16, 2018

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. ER08-1178-000 and EL08-88-000**

**Exceptional Dispatch Informational Report Covering Period up to
October 2018**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) submits the attached informational report to include Exceptional Dispatch data from the period from July 2018 through October 2018. The informational report also provides the status of the CAISO's development of operational and product enhancements that would reduce reliance on Exceptional Dispatch.

In the September 2009 Order, the Commission directed the CAISO to file reports every 120 days that describe the status of the CAISO's efforts to reduce the frequency of Exceptional Dispatch and the status of the CAISO's development of operational and product enhancements that would reduce reliance on Exceptional Dispatch.¹ The 120-day filing is in addition to the two monthly Exceptional Dispatch reports (Chart 1 and Chart 2 data) the CAISO files in the above-referenced dockets.²

¹ *Cal. Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,218, at PP 50-51 (September 2009 Order). The Commission explained that it “does not intend to notice these future status reports or to issue orders on these in the future, as these reports are for informational purposes only.” *Id.* at P 51 n.66.

² *Id.*, and *Cal. Indep. Sys. Operator Corp.*, 131 FERC ¶ 61,100 (2010).

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Please contact the undersigned with any questions regarding this filing.

Respectfully submitted,

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California ISO

Exceptional Dispatch Report

**Prepared by
California Independent System Operator**

November 16, 2018

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1. Introduction

This informational report by the California ISO (CAISO) provides an update to the Commission and market participants on the exceptional dispatch metrics and the measures the CAISO took to reduce reliance on exceptional dispatch since its last report, filed on July 19, 2018, though October 2018.

2. Exceptional Dispatch Data and Reports

As shown in Figure 1 below, the average volume of exceptional dispatch reduced fairly with respect to early years and has remained relatively stable at low levels for recent years.

Figure 1: Exceptional Dispatch Volume

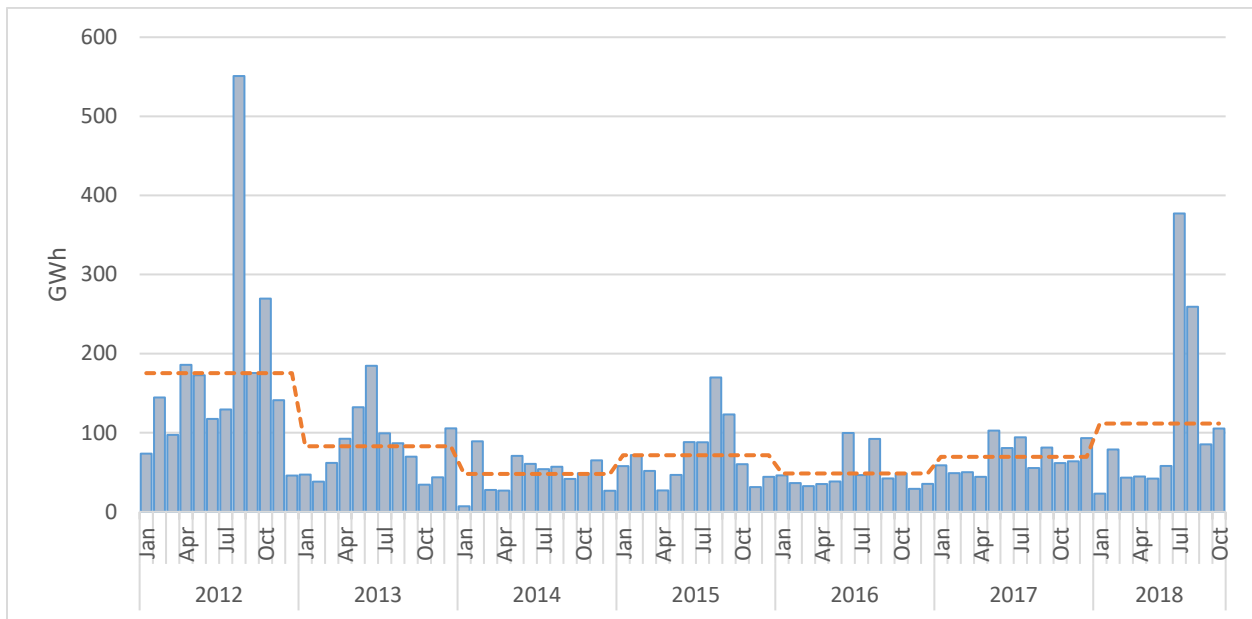
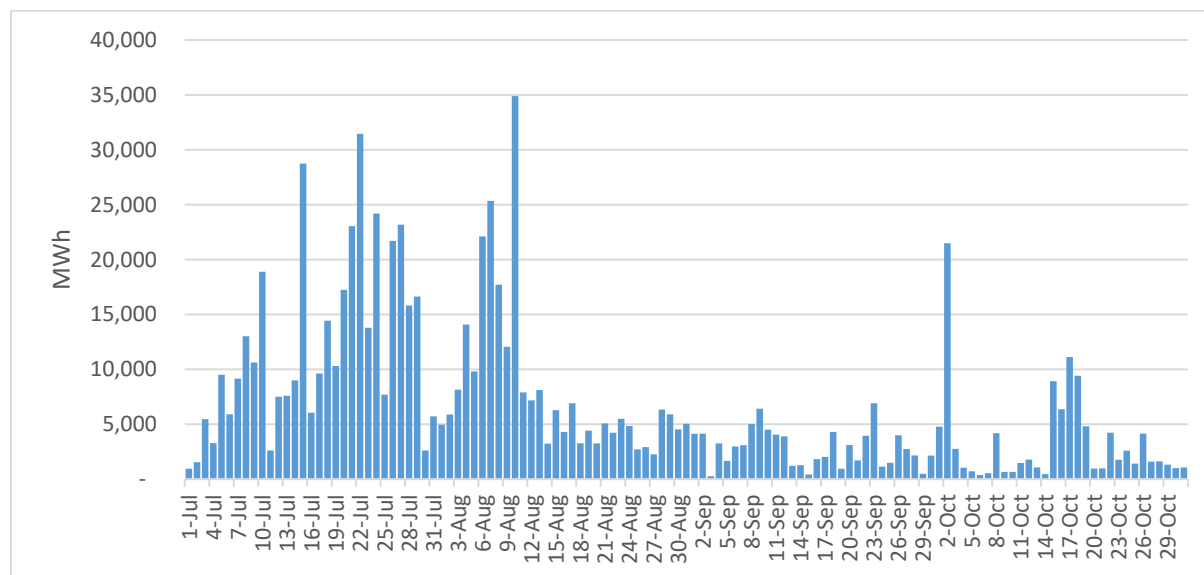


Figure 2 below, displays the more detailed profile of Exceptional Dispatch for the period of July 2018 through October 2018.

Figure 2: Daily Exceptional Dispatch Volume from July 2018 through October 2018



To comply with Commission directives in its September 2, 2009 and May 4, 2010 orders, and inform the market, the CAISO produces and files two monthly exceptional dispatch reports in Docket No. ER08-1178, in addition to the 120-day reports. One report (Table 1 report) is filed on the 15th day of every month and the other report (Table 2 report) is filed on the 30th day of every month. The CAISO has filed, and continues to file the Table 1 and Table 2 reports on the regular monthly. These monthly reports provide the market with the most recent summary of exceptional dispatch activity and associated costs. The monthly reports are also available on the CAISO’s website at: <http://www.caiso.com/market/Pages/ReportsBulletins/Default.aspx>.

Table 1 Report. The Table 1 report provides information on the frequency, quantity, and duration of exceptional dispatch. The report is based on a template specified in Commission orders. Each line item entry is a summary of exceptional dispatches classified by (1) the reason for the exceptional dispatch; (2) the location of the resource by Participating Transmission Owner (“PTO”) service area; (3) the Local Reliability Area (“LRA”) where applicable; (4) the market in which the exceptional dispatch occurred (day-ahead vs. real-time); and (5) the date of the exceptional dispatch. For each classification, the following six categories of information are provided: (1) Megawatts; (2) Commitment; (3) Inc or Dec; (4) Hours; (5) Begin Time; and (6) End Time. Appendix A to the Table 1 report contains three illustrative examples of how exceptional dispatch activity is captured in the report.

Table 2 Report. The Table 2 report contains the same six categories of information provided in the Table 1 report and in addition contains the following ten categories of information: (7) Total Volume (MWh); (8) Min Load Cost; (9) Start Up Cost; (10) Charge Code “CC” CC6470; (11) Exceptional Dispatch Volume (MWh INC/DEC); (12) CC6470 INC; (13) CC6470 DEC; (14) CC6482; (15) CC6488; and (16) CC6620.

The CAISO also publishes a monthly market performance report at: <http://www.aiso.com/market/Pages/ReportsBulletins/Default.aspx>. This monthly report highlights the frequency and cost of exceptional dispatch as a subset of the broader category of operator intervention. The report is published approximately three weeks after the end of every month and is based on preliminary settlement data available about 10 days after the end of the month.

Additional information is also explained in greater detail in the Market Performance Metric Catalog that the CAISO issues on a monthly basis. This report provides the explanation and context for each market metric, including information on exceptional dispatch. It is available at: <http://www.aiso.com/market/Pages/ReportsBulletins/Default.aspx>.

The CAISO also provides a regularly scheduled forum for discussing issues, including exceptional dispatch – the Market Performance and Planning Forum meetings that the CAISO holds every six weeks. These meetings provide a venue for high-level dialogue on release planning, implementation, and new market enhancements. Agendas for the meetings cover items of importance to stakeholders, and includes general metrics of the CAISO market performance, including Exceptional Dispatch metrics. Meeting agendas, presentations, and stakeholder comments are posted on the Market Performance and Planning Forum webpage: <http://www.aiso.com/Documents/Market%20performance%20and%20planning%20forum>.

3. Actions to Address Exceptional Dispatch

This section describes the actions that have been taken to reduce exceptional dispatch since the July report, as well as actions that are currently underway or planned for future implementation.

The CAISO also completed another policy initiative to model remedial action schemes, which is another market-based solution to address specific transmission and generator outages that otherwise may require the use of exceptional dispatches.¹ The CAISO is filing this tariff amendment in November 2018.

Currently, the CAISO continues to explore enhancements to its day-ahead market. The contemplated enhancements include proposals to consolidate the integrated forward market with the RUC to better commit resources and reduce the conditions for oversupply. The CAISO

¹ Information on the modeling of remedial action schemes can be found at: http://www.aiso.com/informed/Pages/StakeholderProcesses/GeneratorContingency_RemedialActionSchemeModeling.aspx.

is also planning to introduce more granular time intervals in the day-ahead market in order to evolve it from its current hour-by-hour basis to a 15-minute basis; this increased granularity will allow the market to commit and dispatch resources more precisely and account for the steep ramps introduced with the dispatch of renewable resources.²

² Information on the day-ahead market enhancements can be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Day-AheadMarketEnhancements.aspx>.

CERTIFICATE OF SERVICE

I 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 16th day of November, 2018.

/s/ Grace Clark
Grace Clark