

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

CXA La Paloma, LLC)	
)	
v.)	Docket No. EL18-177-000
)	
California Independent System Operator Corporation)	
)	

**MOTION FOR LEAVE TO FILE ANSWER AND ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO
ANSWER**

The California Independent System Operator Corporation (“CAISO”) hereby submits a limited answer to the Motion for Leave to Answer and Answer filed by CXA La Paloma, LLC (“La Paloma”) on September 20, 2018.¹ The CAISO files this Answer for the sole and narrow purpose of clarifying the facts regarding recent CAISO exceptional dispatches issued to La Paloma’s generating units. The exceptional dispatches were for La Paloma’s resource adequacy (RA) capacity or for testing requested by La Paloma.

I. Motion for Leave to File Answer

Pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure,² the CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), to the extent necessary to permit it to answer the answer filed by La Paloma in the proceeding. Good cause for the waiver exists because the

¹ The CAISO files this answer pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213. For the reasons explained below, the CAISO respectfully requests waiver of Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), to permit it to answer certain comments filed in the proceeding.

² 18 C.F.R. §§ 385.212, 385.213.

answer will clarify the facts associated with a new assertion made by La Paloma, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in the case.³

II. Answer

La Paloma states that it has been called upon through exceptional dispatches multiple times in the past several months to ensure system reliability.⁴ La Paloma states that it was most recently exceptionally dispatched on August 13, 2018. La Paloma claims that it is not being “justly compensated” for its contributions to system reliability when La Paloma resources have been exceptionally dispatched.⁵

This is a new assertion made for the first time in La Paloma’s Answer. La Paloma provides no evidence that its resources are not receiving just and reasonable compensation when exceptionally dispatched. Moreover, La Paloma fails to address the Commission orders that repeatedly have found that the exceptional dispatch provisions of the CAISO tariff provide appropriate compensation.⁶ In any event, the exceptional dispatches to which La Paloma refers do not support its claims.

³ See, e.g., *Equitrans, L.P.*, 134 FERC ¶ 61,250 at P 6 (2011); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,023 at P 16 (2010); *Xcel Energy Servs., Inc.*, 124 FERC ¶ 61,011 at P 20 (2008).

⁴ La Paloma Answer at 6.

⁵ *Id.*

⁶ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150, at P 33 (2009) (“Further, we find that although the anticipated increase in the frequency of exceptional dispatches is a significant departure from what we originally approved, sufficient steps have been taken to ensure that resources subject to Exceptional Dispatch are appropriately compensated”); *Cal. Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,144, at P 32 (2009) (“Because the Exceptional Dispatch mechanism includes adequate compensation and reporting requirements, we find there is no need to implement a further procedure”).

Regarding the August 13, 2018 exceptional dispatch, for the August 2018 RA month, the RA capacity shown for Unit 3 at La Paloma's facility was less than the unit's minimum operating level ("Pmin"). Where the monthly RA showings indicate that a resource is RA for the month, the resource must actually make that RA capacity available to the CAISO. Where, as here, a unit is shown for an RA capacity quantity below its Pmin, the resource is required to make at least its Pmin available to the CAISO.⁷ Otherwise, the RA capacity shown below Pmin would essentially be phantom, unavailable capacity. As Exhibit A to the La Paloma Answer shows, the CAISO exceptionally dispatched La Paloma Unit 3 to its Pmin level. This enabled the CAISO to access the unit's contractual RA capacity, which La Paloma was obligated to make available to the CAISO market under the tariff.

The other exceptional dispatches the CAISO issued to La Paloma units were for RA capacity that La Paloma was obligated under the tariff to make available to the CAISO market or for testing requested by the unit.⁸ In another instance, the CAISO issued an exceptional dispatch of zero MWs, which essentially was an order to the unit to shut down because the unit did not timely follow an automated shutdown instruction. These exceptional dispatches did not result in CPM designations.

⁷ CAISO tariff section 40.4.3(6) (Resource must make PMin available to CAISO for commitment and dispatch even if its contractual RA capacity is less than PMin so the resource's RA capacity can be utilized by the CAISO as required by the tariff).

⁸ Exceptionally dispatching a unit for testing purposes does not result in a CPM designation. CAISO tariff sections 34.11.2 and 43A.2.5.

III. Conclusion

For all the foregoing reasons, the Commission should accept the CAISO's motion for leave to file the instant answer and consider the clarifying information provided in the CAISO's answer.

Respectfully submitted,

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Dated: October 9, 2018

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, pursuant to 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 9th day of October, 2018.

Martha Sedgley
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