

Tariff Section 40.3.1.1, requires the CAISO, in performing the Local Capacity Technical Study, to apply the following reliability criterion:

Time Allowed for Manual Adjustment: This is the amount of time required for the Operator to take all actions necessary to prepare the system for the next Contingency. The time should not be more than thirty (30) minutes.

The CAISO Planning Standards also impose this manual readjustment requirement. As a parameter of the Local Capacity Technical Study, the CAISO must assume that as the system operator the CAISO will have sufficient time to: (1) make an informed assessment of system conditions after a contingency has occurred; (2) identify available resources and make prudent decisions about the most effective system redispatch; (3) manually readjust the system within safe operating limits after a first contingency to be prepared for the next contingency; and (4) allow sufficient time for resources to ramp and respond according to the operator's redispatch instructions. This all must be accomplished within 30 minutes.

Local capacity resources can meet this requirement by either (1) responding with sufficient speed, allowing the operator the necessary time to assess and redispatch resources to effectively reposition the system within 30 minutes after the first contingency, or (2) ~~have~~having sufficient energy available for frequent dispatch on a precontingency basis to ensure the operator can meet minimum online commitment constraints or reposition the system within 30 minutes after the first contingency occurs. Accordingly, when evaluating resources that satisfy the requirements of the CAISO Local Capacity Technical Study pursuant to option (1), the CAISO assumes that such fast-responding local capacity resources need to be available in no longer than 20 minutes so the CAISO and scheduling coordinators have a reasonable opportunity to perform their respective and necessary tasks and enable the CAISO to reposition the system within the 30 minutes in accordance with applicable reliability criteria. The 20-minute response time is not applicable to resources that satisfy the requirements of the CAISO Local Capacity Technical Study under option (2).