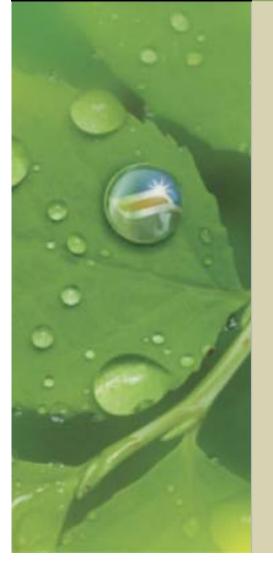


Briefing on Exceptional Dispatch



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Board of Governors Meeting General Session September 10 - 11, 2009

What is "exceptional dispatch" and why is the ISO relying on it?

What?

- Committing resources and instructing output changes outside of market mechanisms
- Being used more than expected

Why?

- Meeting reliability requirements
 - Voltage
 - Contingencies
- Overcoming model and software limitations



The ISO committed to reducing reliance on exceptional dispatches.

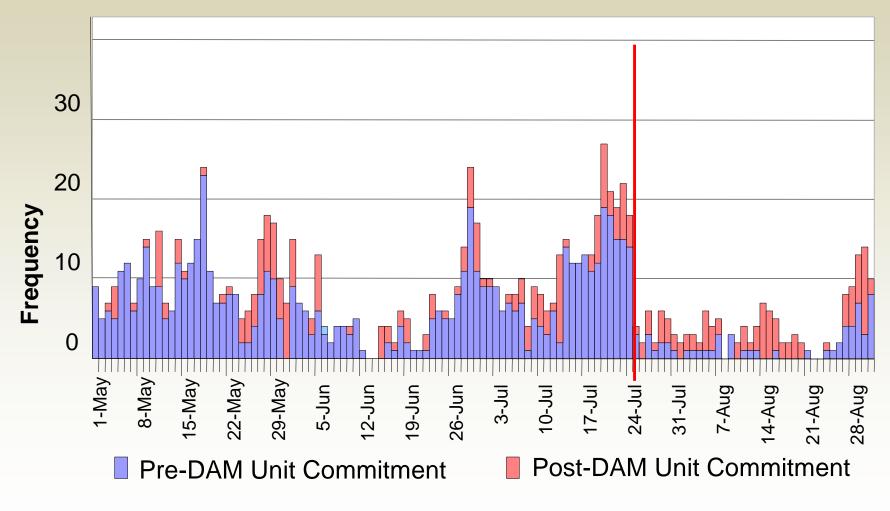
- Gained market experience not available in simulation
- Formed Exceptional Dispatch Strike Team
 - Analyze process and tools
 - Evaluate potential software changes
 - Determine process changes
 - Assess changes to tariff or business practice manuals
 - Emphasize continuous improvement in data quality

Results:

- Refined process to reduce exceptional dispatch
- Increased reliance on market

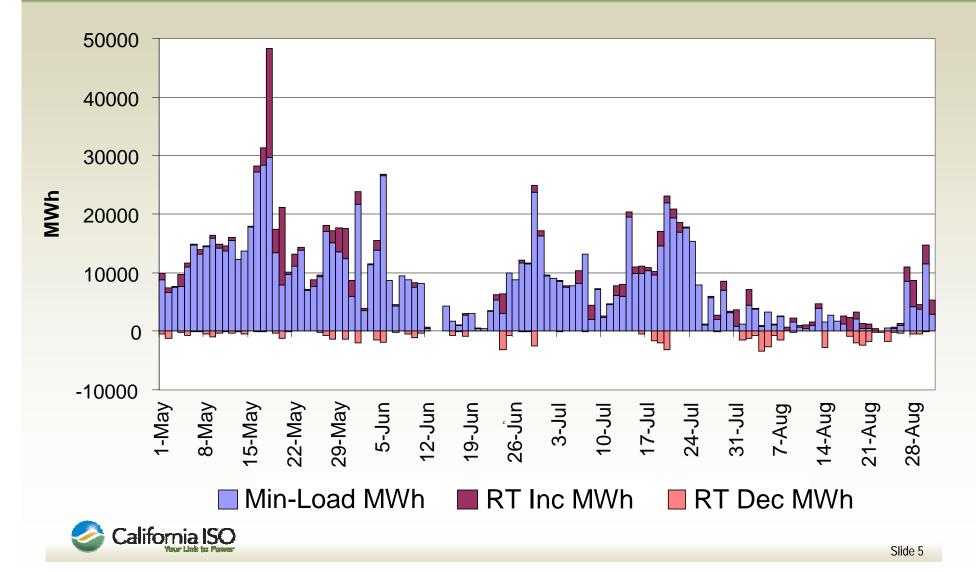


We've made progress in reducing reliance on exceptional dispatch in the day ahead.

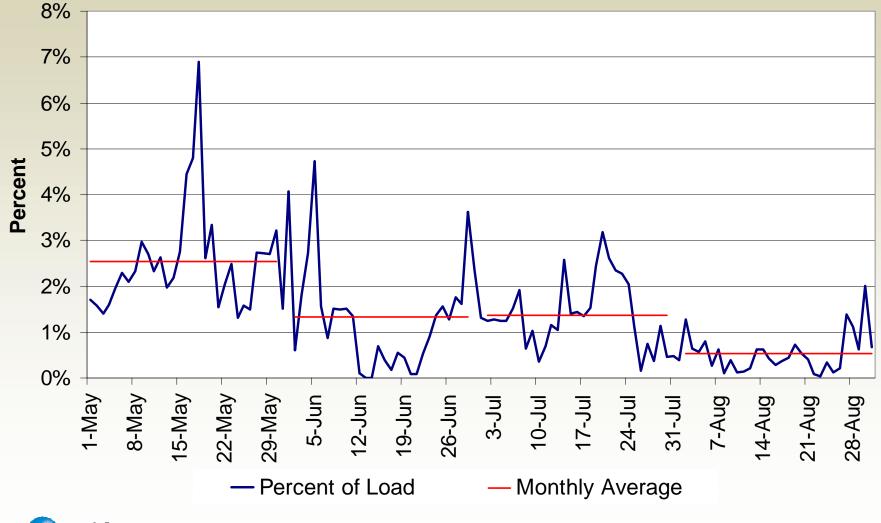




The overall volume of exceptional dispatch (MWh) has been significantly reduced.



Exceptional dispatches are a small portion of total load, and a smaller percentage as load increases.





Reliance on exceptional dispatch will be substantially reduced by the following actions:

Including more constraints	30 days
 Additional use of RUC 	60-90 days
More complex modeling in IFM	BPM change process
True-up market to real flows	Stakeholder input
 Multi-stage generation 	Up to 1 year
 Multi-day bridging 	1 to 2 years
 Transmission upgrades 	PTO dependent
	•

Exceptional dispatches may always be required for adverse operating conditions or intertie reductions

