

# Memorandum

**To:** ISO Board of Governors  
**From:** Eric Schmitt, Vice President, Operations  
**Date:** February 9, 2012  
**Re:** **Decision on Seven Day Advanced Transmission Outage Proposal**

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*This memorandum requires Board action.*

## EXECUTIVE SUMMARY

In 2011, the ISO modified the Business Practice Manual for Outage Management to provide that participating transmission owners should submit planned outage requests for transmission facilities no fewer than seven days before the start of the outage. Currently, requests for approximately 76 percent of planned transmission outages that will have an impact on the ISO's full network model are submitted at least seven days in advance of the outage and approximately 24 percent are submitted within seven days of the outage. The ISO's ability to analyze and coordinate transmission outages would be improved, and system operations would be more reliable, if all requests for planned outages with model impacts were submitted to the ISO on a timely basis.

To address this issue, the ISO is proposing to amend the tariff to require that participating transmission owners submit requests for planned outages of transmission facilities that would impact the market model at least seven days before the outage and permit the ISO to reject such outage requests that are not timely submitted. Requests for designated types of planned outages of transmission facilities that do not impact the market model may be submitted within seven days before the outage and will be considered on a first-come, first-served basis.

Management recommends that the ISO Board of Governors approve the proposed tariff change to establish requirements for participating transmission owners to submit timely requests for planned transmission outages in advance of the outage.

***Moved, that the ISO Board of Governors approves the proposed tariff changes regarding the time requirements for transmission outage requests, as described in the memorandum dated February 9, 2012; and***

***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposed tariff change.***

## **DISCUSSION AND ANALYSIS**

### ***Background***

In 2011, the ISO successfully processed nearly 80,000 transmission and generation outage requests. The ISO Outage Management department evaluates these requests for reliability impacts, changes to path ratings, necessary changes to network models, and many other considerations that may affect the timing of a transmission outage. ISO outage management studies, models, and determines market impacts in conjunction with the then-existing schedule of planned outages for the specific period before it approves or rejects the outage request.

On February 3, 2010, the ISO issued the *Transmission Outage Whitepaper* that presented the ISO's vision and plan to improve transmission outage reporting and outage coordination practices by focusing on the following areas:

- Improved grid reliability and market efficiency
- Reduced grid operating costs
- Improved transmission outage reporting quality and accuracy
- Improved effectiveness of the transmission outage management business practices

To implement the improvements mentioned above, the ISO proposed seven initiatives:

- Initiative 1: Seven-Day Advanced Outage Proposal
- Initiative 2: Submission of Critical Outage Data as Formatted Data
- Initiative 3: Managing Outage Data in Real-time
- Initiative 4: Outages Affecting Interties
- Initiative 5: Multiple Configurations in a Single Outage
- Initiative 6: Identifying Project Information within an Outage
- Initiative 7: Standardized Outage Short Descriptions

Based on the participating transmission owners' comments regarding the Transmission Outage Whitepaper, the ISO elected to pursue the initiatives in phases. On April 8,

2011, the ISO began the first initiative, which was to modify the Business Practice Manual for Outage Management to provide for participating transmission owners to submit requests for planned transmission outages no fewer than seven days in advance of the outage. The modification was approved as submitted with an effective date of June 15, 2011.

Currently, the ISO timely receives approximately 76 percent of transmission outage requests that have a model impact, while the balance of the requests are submitted within just a few days of the outage. Consequently, these outages end up being processed closer to real-time when prices for energy are higher and the opportunities to utilize less costly and more efficient resources are limited by availability.

### ***Proposal***

This proposal will establish a tariff requirement that the participating transmission owners submit requests for outages that will impact the market model at least seven days prior to the outage and will establish authority for the ISO to reject transmission maintenance outage requests that do not meet this timeline. Outages of transmission facilities that (i) are necessary for reliability, (ii) do not have a market impact, and (iii) arrive in fewer than seven days in advance of the outage will not be rejected as untimely and will be considered on a first-come, first-served basis, under Outage Management's existing practices.

The seven day advance request requirement balances the needs of the ISO to have sufficient time to properly analyze the requests and operate a reliable system and efficient market with the interests of the participating transmission owners in maintaining flexibility to plan their maintenance work.

To fully realize the benefits of the new market system, it is essential that transmission outage information is received by the ISO in time for the advanced market runs. These market runs, referred to collectively as the Day 3-2-1 process, begin three days prior to the operating day, and are used to optimize a market solution. The initial run of the market is performed 3 days prior to the operating day and can be used to identify any issues in the input data or market solution. If issues are identified, they are resolved in time for the second day run. The final run of the market is the binding day ahead market which benefits from the test runs performed on the previous two days.

The benefits of the proposal to require seven day advance submission of requests for planned transmission outages with a market impact are as follows:

1. Improve analysis and coordination between the ISO and the participating transmission owners in order to maintain reliable system operations.

2. Allow sufficient time for the ISO to analyze and respond to the outage request, and comply with the Western Electricity Coordinating Council requirements.
3. Utilize the best available information in the advance market runs.

## POSITIONS OF THE PARTIES

While some concerns remain, stakeholders generally support Management’s proposal.

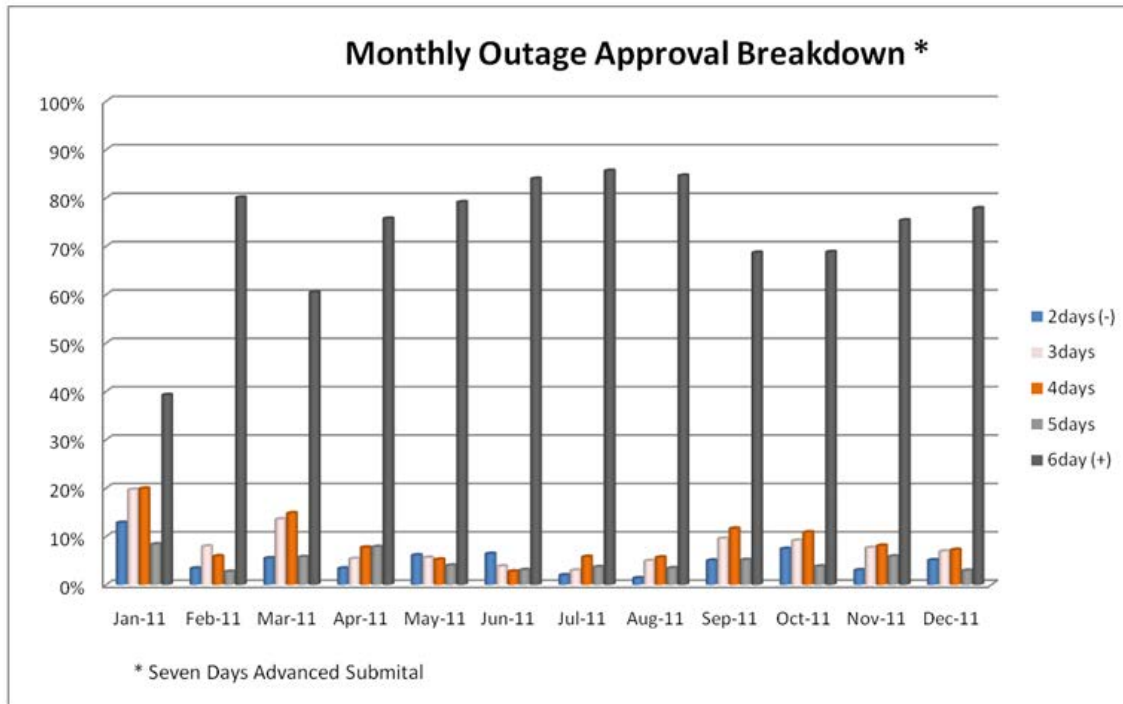
Calpine supports the current ISO policy to require transmission outage submissions at least seven days before the day of outage. Calpine opposes any relaxation of the existing outage reporting requirements and proposes that planned and unplanned outages be approved three days prior to their start date with no outages being approved less than two hours before the day-ahead market. The ISO shares Calpine’s concern regarding submission of unplanned outages for non-model impact clearances but is not proposing to relax its current outage evaluation method.

Southern California Edison expressed concern regarding the ISO’s response time to outage requests and suggested that the response should be provided at least three full business days before the start date. In an effort to address the stakeholders’ concern, the ISO developed Table 1 and Figure 1 to show the percentage of time during each month of 2011 that the ISO responded within two, three, four, five, and six days in advance of the requested start date of the outage. Table 1 and Figure 1 both show that for nearly 90 percent of requests, the ISO provided a response five or six days before the start date. The ISO is committed to providing timely responses to outage requests and to maintaining the high percentages shown in the tables bellow.

**Table 1**  
**Monthly Outage Approval Percentages Based on Seven Day Outage Submittal**

Month	2days	3days	4days	5days	6day
Jan-11	12.83%	19.67%	19.89%	8.37%	39.24%
Feb-11	3.38%	7.94%	5.91%	2.70%	80.07%
Mar-11	5.47%	13.56%	14.80%	5.72%	60.45%
Apr-11	3.38%	5.37%	7.70%	7.82%	75.73%
May-11	6.09%	5.59%	5.22%	3.98%	79.13%
Jun-11	6.41%	3.82%	2.75%	3.05%	83.97%
Jul-11	1.97%	2.96%	5.78%	3.67%	85.61%
Aug-11	1.35%	4.92%	5.66%	3.44%	84.62%
Sep-11	5.00%	9.56%	11.62%	5.15%	68.68%
Oct-11	7.43%	9.14%	10.84%	3.78%	68.82%
Nov-11	3.01%	7.66%	8.07%	5.88%	75.38%
Dec-11	5.07%	6.91%	7.22%	2.92%	77.88%

Figure 1



Pacific Gas & Electric expressed concerns about exceptions to the timelines for reliability concerns due to difficulty in planning complex outages. The ISO expects that “complex electric transmission projects” should be planned well in advance, even more so than routine maintenance outages. The complexity dictates that excellent planning is required to ensure the success of the project, including outages needed for the project. The ISO believes participating transmission owners can manage their projects within the proposed and established timelines for long range outage submittal in accordance with the proposed tariff change.

In addition, Pacific Gas & Electric commented that long-range outages should also be exempted in this proposal if unforeseen real-time changes impact the schedule. The ISO position is that long-range outages have to meet the same timeframes as short-range outages.

**MANAGEMENT RECOMMENDATION**

Management recommends that the Board approve the proposal as described above. This will allow ISO staff to adequately evaluate transmission outages, provide responses to participating transmission owners in a timely manner, complete the outage picture for all market runs and ensure accurate reporting to WECC and market participants.