

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

California Independent System Operator
Corporation

Docket Nos. ER08-1178-
003 and EL08-88-004

**MOTION FOR EXTENSION OF TIME AND
MOTION FOR CLARIFICATION
OF SEPTEMBER 2, 2009, ORDER**

Pursuant to Rules 212 and 2008(a) of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("ISO") respectfully submits this motion for an extension of time until September 29, 2009, in which to file its next report regarding Exceptional Dispatch. Under the Commission's September 2, 2009, order in this proceeding,¹ the report would be due on September 15, 2009 absent an extension. The extension is necessary in order for the ISO to assemble and process the additional data required to be included in the report as a result of the September 2 Order. The Commission recognized that an extension might be necessary in the September 2 Order.

The ISO also requests clarification that the Commission did not intend that the report timelines set forth in the September 2 Order be rigidly applied in a manner that would interfere with the ISO's ability to report information efficiently, accurately, and consistently with the Commission's directives. Specifically, the ISO requests that the Commission clarify that the ISO may file its initial report on Exceptional Dispatches occurring in a calendar month (e.g., August) on the 15th

¹ *Cal. Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,218 (2009) ("September 2 Order").

day of the second month following that calendar month (e.g., October 15 for August Exceptional Dispatches). In addition, the ISO requests clarification that it may file its revised report, including cost data, on the 30th day of the third month following the Calendar month (e.g., November 30 for August Exceptional Dispatches). This date is approximately 15 days from the date the ISO has settlement quality data for the relevant calendar month that have completed all the market data validation processes. These changes will allow the ISO to synchronize the data to be reported on the two charts and create specific dates on which each chart will be filed thereby allowing the ISO to have a stable business process. The ISO further requests that the Commission clarify that the ISO may make minor changes to the templates provided by the Commission in order to reflect the availability of data and avoid consistently providing data that are not complete.

I. Background

The September 2 Order conditionally accepted, subject to modification, the ISO's proposed tariff revisions regarding the use of Exceptional Dispatch that were included in the ISO's March 23, 2009, compliance filing. The compliance filing was in response to the Commission's February 20, 2009, order accepting in part and rejecting in part the ISO's Exceptional Dispatch proposal.²

Among other matters, the September 2 Order addressed the ISO's obligation to provide regular reports on its use of Exceptional Dispatch. In the February 20 Order, the Commission had directed the ISO to establish a 60-day reporting process that detailed the frequency, volume, costs, causes, and degree

² *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150 (2009) ("February 20 Order").

of mitigation of exceptional dispatches.³ In its compliance filing, the ISO submitted a new MRTU Tariff section 34.9.4 that required the ISO to file such a report with the Commission, and to post the report on the ISO's website, within 30 days of the end of each 60-day period. Various parties protested aspects of the ISO's compliance filing, including both the specified content and the timing. In its answer to the protests, the CAISO proposed to treat Interim Capacity Procurement Mechanism ("ICPM") designations made pursuant to Exceptional Dispatch like other ICPM designations for reporting purposes. The CAISO also proposed a 30-day reporting obligation for Exceptional Dispatches that did not result in ICPM designations.

In the September 2 Order, the Commission accepted the ISO's proposal for a 30-day reporting obligation, but directed that all Exceptional Dispatches be included in the Exceptional Dispatch report including those that resulted in an Exceptional Dispatch ICPM designation.⁴ The Commission found that the Exceptional Dispatch reports submitted by the ISO to date satisfactorily complied with the February 3 Order and did not require the ISO to file revised reports or additional information related to the reporting periods that have already passed.⁵ The Commission also established a new reporting process on a going-forward basis, beginning with the report to be submitted on September 15, 2009.⁶ The September 2 Order specified the details regarding the frequency, volume, costs, causes, and degree of mitigation of Exceptional Dispatches that must be

³ February 20 Order at P 263.

⁴ September 2 Order at PP 18-21.

⁵ *Id.* at P 34.

⁶ *Id.* at P 37.

included in the future reports. The Commission provided two templates for reporting the data – one with cost data, and one without cost data. The templates were included in Appendices A and B.⁷

The Commission also stated that the ISO should clearly indicate in all future reports whether the report includes all instances of Exceptional Dispatch for the reporting period. It directed the ISO to file a revised report within 15 days after the ISO obtains the omitted information. The revised report must be an updated version of the original report, include revised versions of any charts or graphs that were affected by the additional data, and must clearly indicate where any changes or additions were made.⁸

II. Request for Extension of Time

The Commission recognized that the September 2 Order requires the ISO to provide a considerably higher level of detail in its Exceptional Dispatch reports than it had previously been assembling.⁹ The short interval between the September 2 Order and the September 15 date for the first report implementing that order presents a significant obstacle to the ISO's ability to successfully provide the information specified by the September 2 Order. Perhaps in recognition of the administrative burden imposed by the schedule, the Commission stated that the ISO could request an extension of the deadline for the September report.¹⁰ The ISO has determined that additional time is needed to prepare the first report with the additional information required by the

⁷ *Id.* at PP 39-44.

⁸ *Id.* at P 38.

⁹ *Id.* at P 45.

¹⁰ *Id.* at P 34, n. 41.

September 2 Order using the template included in Appendix A to that order. The ISO therefore requests an extension until September 29 for the filing of the September Exceptional Dispatch Report with data for July.

III. Request for Clarification

The September 2 Order specifies a 30-day reporting period commencing on September 15, 2009. If the ISO continues previous practices, the report would cover a monthly period ending the 15th of the month prior to the filing of the report for non-cost data. The September 2 Order also directs the ISO to file revised reports 15 days after the ISO obtains additional or corrected information. As discussed below, the ISO believes that a rigid interpretation of these deadlines using previous practices would interfere with the ISO's ability to achieve fully the accuracy, completeness, and transparency contemplated by the September 2 Order. With relatively minor adjustment of this process, however, the ISO believes it can provide Exceptional Dispatch reports with the additional data required by the September 2 Order on a timely basis.

Based on previous practices, in order to prepare the initial Exceptional Dispatch reports approximately thirty days after each monthly period, the ISO must prepare the initial reports before both energy and cost data that have been validated through the ISO's business processes are available. Thus, the initial report uses data from the ISO's scheduling and logging system ("SLIC"). SLIC would not identify circumstances where the actual Exceptional Dispatch varied from the logged Exceptional Dispatch, as is the case where a resource does not respond to the Exceptional Dispatch or in instances where the ISO determines

that a dispatch initially logged as an Exceptional Dispatch is not truly an Exceptional Dispatch once the validation process is completed (e.g. a direction to a resource to comply with a market dispatch).

For purposes of the revised Exceptional Dispatch report with cost data contemplated by the September 2 Order, the ISO intends to use the settlement quality data that incorporate the market validation process so that the reported data more accurately provide information on the Exceptional Dispatches. Those data, under the ISO's tariff requirements and business processes, are available 51 business days after the last trading day of the month (T+51B).

Further, because some costs are calculated monthly whereas some costs are calculated daily, the ISO needs to revise its current timing and to compile the report on a calendar month basis in order to meet the requirements in the Commission's order for the various data elements. If the ISO were to continue to prepare reports for reporting periods ending on the 15th of each month (as in previous practices), the ISO would not be able to correlate the entries on the initial report with the entries on the revised report in the manner that the Commission directed. Going forward, the ISO therefore proposes to use a calendar month as the reporting period for both reports. Thus, the Appendix A September report (for which the ISO has requested an extension until September 29) would include Exceptional Dispatches for the month of July. The report filed on October 15 would include the Appendix A data for Exceptional Dispatches for the month of August.

Given the sequence discussed above, T+51B data are critical to ensure accurate and complete data for the Appendix B report. However, T+51B may fall on different days each month, depending upon the number of business days in the previous months. For example, T+51B for July, when the July data have completed validation and settlements and are available for assembling the Exceptional Dispatch report, is the 13th of October. For August monthly data the Exceptional Dispatch report could start development on the 11th of November, and for September on the 14th of December. The ISO needs fifteen days once the data are available to compile the data and check the report prior to filing the report with the Commission. The fifteenth day after the revised data are available (on T+51B) would thus fall on a different date each month. The management of constantly changing report dates would impose an unnecessary and counter-productive administrative burden on the ISO's settlement staff and be confusing to stakeholders. The ISO therefore proposes that the revised Exceptional Dispatch report (i.e., the report using the template included in Appendix B to the September 2 Order) be filed on the 30th day of the month following the filing of the initial report. Thus, the ISO would file the final report of Exceptional Dispatches in the month of July on October 30 and the final report of Exceptional Dispatches in the month of August on November 30.

In addition, the templates provided by the Commission, if the ISO were unable to modify them, would require data that the ISO cannot provide in accordance with the proposed timeline. The template included in Appendix A includes a column for megawatt-hours. Those data are not available in SLIC and

will not be available in time for inclusion in the initial Exceptional Dispatch report. The ISO therefore proposes to eliminate that column from the Appendix A template and report such data in the Appendix B template.

The ISO expects that the Commission did not intend that the September 2 Order be implemented in a manner that would be inconsistent with the need for accuracy and completeness and the availability of data. The ISO therefore requests that the Commission clarify that the ISO's proposals are consistent with the September 2 Order.¹¹

IV. Conclusion

For the reasons discussed above, the ISO respectfully asks that the Commission grant the requested extension of time to submit the September Exceptional Dispatch report, that the Commission clarify that the ISO's proposed schedule for the preparation of reports is consistent with the September 2 Order, and that the ISO may make minor modifications to the templates for Exceptional Dispatches to reflect data availability to the ISO.

¹¹ The ISO is still reviewing the September 2 Order and may seek further clarifications if necessary.

Respectfully submitted,

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Dated: September 14, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists 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 Washington, D.C. this 14th day of September, 2009.

/s/ Michael E. Ward

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