



**Outage Management System Replacement  
Addendum to Draft Final Proposal**

**December 27, 2013**

**Table of Contents**

- I. Introduction..... 3
- II. Background ..... 3
- III. Scope of Addendum and Plan for Stakeholder Engagement..... 3
- IV. ISO Clarification on RA Replacement for Scheduled Outages ..... 4
- V. Next Steps ..... 9

## I. Introduction

On December 3, 2013 the ISO issued the Draft Final Proposal for the Outage Management System Replacement stakeholder initiative. The Draft Final Proposal was discussed with stakeholders during a conference call on December 17, 2013. During the conference call the ISO realized that there was confusion around the policy and tariff for replacement of resource adequacy resources which request outages after the monthly RA showings, Short Notice Opportunity Outages, Off-Peak Opportunity Outages, and how these processes will be modified by the changes to the Outage Management System. This brief Addendum to the Draft Final Proposal clarifies how the ISO will treat these situations.

## II. Background

Starting with 2013 Resource Adequacy year, the ISO instituted a new policy requiring generators seeking to schedule planned outages of RA resources after the monthly RA showings to provide replacement RA capacity for the period of the outage. Two exceptions to this replacement requirement were created. One was the Off-Peak Opportunity Outage, which was for brief maintenance outages which could be conducted completely during an off-peak period. This was designed to allow generators to perform required minor monthly maintenance without requiring replacement if the outage could be confined to off-peak periods. The second exception to replacement was the Short Notice Opportunity Outage, which was developed to provide an opportunity for generators needing a maintenance outage to work with the ISO Outage Management Group to schedule the outage when system conditions and the overall outage schedule could accommodate the additional outage and the generator would not be required to provide replacement RA capacity. The expectation was that because these would be requests made shortly before the proposed outage start date the ISO would have a good idea of other potential outages, system conditions and forecast conditions so they could be approved without causing reliability issues.

The tariff language required RA resources requesting a planned outage after the monthly RA showing to include replacement capacity with its request, but allowed the ISO, in its discretion, to treat the request as a request for Short Notice Opportunity Outage and not require replacement.

## III. Scope of Addendum and Plan for Stakeholder Engagement

This addendum is not new policy, but simply a clarification of the existing policy and Draft Final Proposal. These issues were discussed with stakeholders during the December 17, 2013 conference call. Stakeholder comments on the Draft Final Proposal and the conference call were initially due December 23, but stakeholders requested this be delayed until January 3, 2014 and the ISO agreed. In order not to delay the proposed Fall 2014 implementation of the OMS replacement, the proposal must be presented to the ISO Board of Governors at the February meeting. Thus, the ISO cannot delay any further the comments on the Draft Final

Proposal and this Addendum. Comments on this Addendum should be submitted along with comments on the Draft Final Proposal by January 3, 2014.

#### IV. ISO Clarification on RA Replacement for Scheduled Outages

Starting in the Fall of 2012 for the 2013 Resource Adequacy year, the ISO implemented changes to outage management which required, under certain circumstances, the replacement of RA capacity for RA resources on outages. These changes imposed obligations both on the load serving entities (LSEs) when they submitted their monthly RA showings, and subsequent to the submission of those showings on the generators providing RA capacity.

RA resources are expected to be available during the RA month. LSEs in their monthly RA showings are expected to include only resources which are not on outage during the month. If LSEs include in their RA showings resources which are on outage, they may be requested to provide replacement capacity if the overall amount of RA resources expected to be available during the outage drops below the monthly RA requirement. Similarly, after the monthly RA showings, all RA resources are expected to be available, and planned outages are accepted only with replacement, or under two special conditions: Short Notice Opportunity Outages and Off Peak Opportunity Outages. These limited exceptions were developed to ensure that resources could take short outages for regular maintenance in off-peak periods when the outage would not impact the reliability of the grid, and to encourage resources to work with the ISO on finding times for other outages that would not impact reliability.

Today:

After the monthly showings, at T-45 days, resources may submit requests for planned outages during the month; these requests must include replacement capacity. These will be evaluated by the ISO, and if conditions allow, they will be approved. If no replacement capacity is provided, the ISO, in its discretion, may approve the outage as a short notice opportunity outage. The two exceptions to the general replacement requirement are:

- Off-Peak Opportunity Outage: this is an outage which can be conducted completely during off-peak hours. This type of outage is typically for a peaking plant which must conduct a small amount of monthly maintenance, but can do so entirely on a weekend or overnight (off-peak) so that its non-availability during the outage will not affect reliability.
- Short Notice Opportunity Outage: these are outages which, in the discretion of the ISO, can be accommodated without impacting reliability and without requiring replacement capacity. The short notice refers to these requests being close to the outage time so that the ISO has a very good idea of what the system conditions and other outages will be so that it can determine that there is no reliability issue. The criteria for these outages is system conditions, not the monthly RA requirement which is used for evaluating the replacement requirements for LSE RA in their monthly showings.

Some resources today submit requests for maintenance outages after the monthly showings, but well in advance of the outage, without replacement capacity. As indicated above, the ISO, in its discretion, can consider these as requests for short notice opportunity outages. In practice today, these requests are put into pending status until such time as the ISO has adequate information about the system conditions to approve or deny the requests.

#### Proposed RA Outage Requests:

Under this proposal, generators will be able to submit requests for planned outages during the RA month after the initial monthly RA showings, which is 45 days before the month. The outages may take the following forms:

**Outage with Replacement:** After the initial RA showings, at T-45 days, and up to 4 days before the proposed start date for the outage, a resource may request a maintenance outage and provide replacement capacity. If the outage does not raise reliability issues, the ISO will approve the outage request as a planned outage (if it is before 7 calendar days in advance of the outage start date) or as a forced outage not subject to the application of standard capacity product ("SCP") non-availability charges and availability incentive payments (if it is between 7-4 calendar days in advance of the outage).

**Planned Outage without Replacement:** After the initial RA showings, at T-45 days, and up to 8 calendar days before the proposed start date for the outage, a resource may request a planned outage without providing replacement. If, in the ISO's discretion, the request can be approved without raising a reliability issue, and still ensuring that the ISO has the sufficient RA capacity to meet the monthly RA requirement, the request may be approved as a planned outage without replacement. Requests received between days 7 through 0 before the outage may be treated as a request for a Short Notice Opportunity Outage.

- The ISO will not approve any such request for an outage without replacement earlier than seven days before the RA month (T-7), when the actual RA fleet for the month is known. The ISO may treat the request as pending until such time as the system conditions are sufficiently well known that the ISO, in its sole discretion, can determine whether the request can be approved.
- Requests for planned outages without replacement will be processed in the order received; however the ISO's analysis of system conditions will include all previous approved outages, including any requests for outages with replacement that the ISO received after the requests for a planned outage without replacement.
- The ISO will inform the resource as soon as possible if the request cannot be approved; if it is clear that the request cannot be accommodated the ISO will not wait until T-7 to inform the generator that the request cannot be accommodated and is denied.

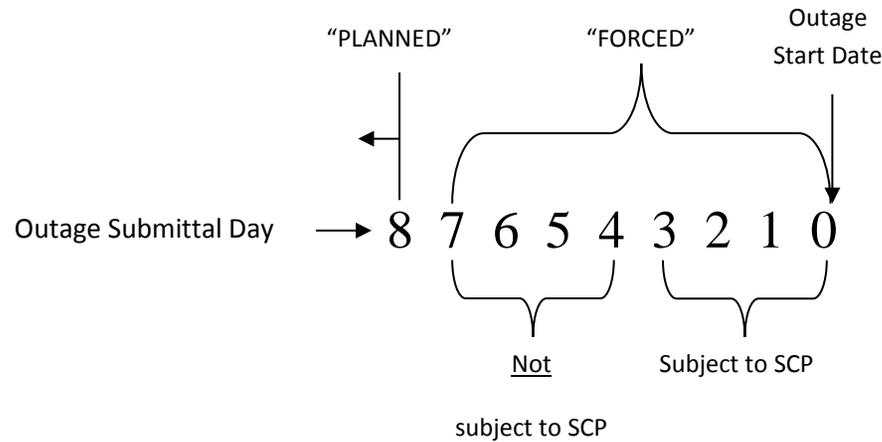
**Short Notice Opportunity Outage:** A request for a Short Notice Opportunity Outage can be made by the RA resources within the 7 day forced outage period. The ISO, at its discretion, may approve the outage request as a Short Notice Opportunity Outage not requiring replacement if it can be accommodated without creating any reliability issues based on system conditions, forecasts, and the overall outage schedule. These outages will be treated as forced outage not subject to SCP non-availability charges and availability incentive payments.

**Off-Peak Opportunity Outage:** After the initial RA showings, at T-45 days, and up to 4 days before the proposed start of the outage, a resource may request an Off-Peak Opportunity Outage for a short-term outage than can be completed entirely during off-peak periods. If the outage does not raise reliability issues, the ISO may approve the outage as a planned outage (if the request is submitted more than 7 calendar days in advance of the outage start date) or as a forced outage not subject to SCP non-availability charges and availability incentive payments (if the request is submitted between 7-4 calendar days in advance of the start date of the outage).

If the ISO denies the request for an outage and the generator takes the outage, the outage will be treated as a forced outage, and any potential capacity availability penalties under the SCP would apply. If a resource outage is submitted without replacement, but the ISO determines that replacement is required, the outage request will be denied if replacement is not provided. If a request for an outage without replacement is denied, the generator may request the outage as an outage with replacement and it will be evaluated again. Further, if the ISO is unable to accommodate a request for Short Notice Opportunity Outage at the time requested, the ISO may, at its sole discretion, suggest another time for the outage when it could be accommodated. The generator is under no obligation to accept the ISO's proposed time.

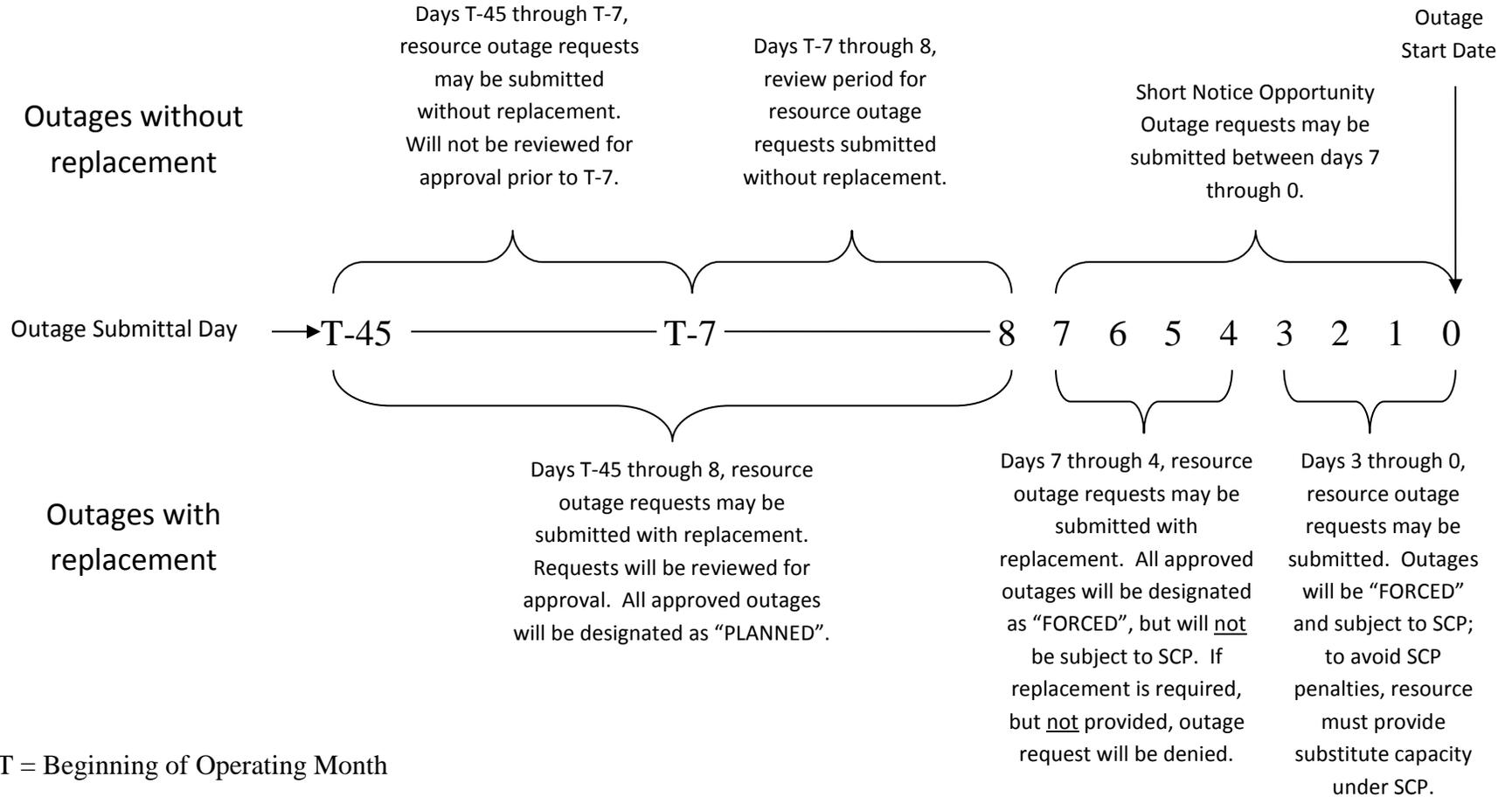
The following diagrams indicate the time line for the outages described above:

# Planned and Forced Outage Submission Timeline



- All outages will retain their original designation throughout the outage lifecycle (“PLANNED” or “FORCED”), which is determined at the time of outage submittal.

# Outage Submission Timeline



## V. Next Steps

The ISO requests stakeholders submit written comments on this Addendum at the same time they submit their comments on the Draft Final Proposal. These comments should be submitted by January 3, 2014.