

## Stakeholder Comments Template

### Exceptional Dispatch Review and Assessment White Paper June 10, 2010

Submitted by	Company	Date Submitted
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This template has been created to help stakeholders submit written comments on topics related to the June 10, 2010 “Exceptional Dispatch Review and Assessment White Paper” and topics discussed during the stakeholder meeting on June 17, 2010. **Please submit your comments in Microsoft Word to [wmccartney@caiso.com](mailto:wmccartney@caiso.com) no later than the close of business on July 1, 2010.** Information on this Exceptional Dispatch initiative can be found at: <http://www.caiso.com/1c89/1c89d76950e00.html>.

Please add your comments below.

1. Decline in Exceptional Dispatch. Do you agree that Exceptional Dispatch has declined? The White Paper concludes that Exceptional Dispatch has declined by approximately 70% in terms of MWh volume, percentage of load, total hours and frequency. The White Paper also concludes that costs associated with Exceptional Dispatch have declined by as much as 65%. Do you agree that a level of Exceptional Dispatch in this range can be considered acceptable?

The CPUC Staff agrees that the declines in Exceptional Dispatch (ED) statistics have been significant. The CAISO has succeeded in effecting a drastic reduction in ED statistics in the first year of MRTU operation. The CPUC Staff understands that CAISO Staff is continuing its efforts to identify modeling and other issues that result in ED, and appreciates these efforts. It is unclear to the CPUC Staff at what point continued elimination of ED will reach the point of diminishing returns; thus, a realistic objective needs to be established considering the other challenges and program developments facing the CAISO in the next months and years. Thus, the CPUC Staff believes that the current level of ED is appropriate

for this developmental stage in MRTU operation and supports incremental improvements of such statistics over time.

2. Significance of Exceptional Dispatch. Do you see Exceptional Dispatch as a significant issue? The White Paper notes that Exceptional Dispatch is only a monthly average of 0.25% of load during January-March 2010.

The CPUC Staff does not see ED volume and frequency as continuing to be a significant issue in the current market in comparison to other challenges facing the CAISO in the upcoming months and years, such as the integration of renewable resources and new Demand Response products.

3. Need for New Market Product. Do you see a need for a new market product? The White Paper concludes that the modeling and software improvements undertaken to date have significantly reduced Exceptional Dispatch.

The CPUC Staff does not see that a new market product has been identified that would appreciably reduce ED frequency and/or volume, beyond the market developments already being discussed by the CAISO Staff. The CPUC Staff urges that the value of and resources required to develop any proposed product should be weighed against the CAISO's investment and allocation of resources to achieve other important policy goals mentioned above, such as increasing California's reliance upon renewable and Demand Response resources.

4. Monthly Reports. Given that the information in the Monthly Table 1 Report is entirely contained in the Monthly Table 2 Report, and that the ISO also makes Exceptional Dispatch information available in the monthly Market Performance Report, do you see a need for the ISO to continue to provide all three reports?

The CPUC Staff offers no opinion on this subject.

5. Other Comments?