

Stakeholder Process: Exceptional Dispatch Mitigation in Real-Time**Summary of Submitted Comments**

Stakeholders submitted three rounds of written comments to the ISO on the following dates:

- Round One – August 3, 2012
- Round Two – September 20, 2012
- Round Three – November 14, 2012

Stakeholder comments are posted at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ExceptionalDispatchMitigationInRealTime.aspx>

Other stakeholder efforts include:

- Stakeholder conference call – July 27, 2012
- Stakeholder conference call – September 11, 2012
- Stakeholder conference call – November 6, 2012

Management Proposal: Proposed Methodology based on Rolling Historical Data

Stakeholder Comments

California Public Utilities Commission	Calpine Corporation	California Department of Water Resources – State Water Project	Dynergy Marketing and Trade LLC	GenOn Energy	J.P. Morgan Ventures Energy Corporation	NRG Energy	Pacific Gas & Electric	Six Cities	Southern California Edison	Western Power Trading Forum
Concerns about the example impact study based on recent historical data, and the accuracy for out of model designations.	Opposes. Recommends that mitigation should be based on demonstrated market power, not by default; add non-modeled constraints to the model.	Supports	Opposes. Thinks the proposal is overly restrictive and will result in excessive mitigation. Questions why un-modeled constraints are deemed as uncompetitive.	Opposes. Thinks that non-modeled constraints need to be demonstrated as non-competitive for mitigation, not by default non-competitive.	Opposes. Thinks that the proposal results in “false positive” with default non-competitiveness.	Opposes. Expresses a concern about the increased mitigation due to the proposal; urges to propose a different method.	Supports. Requests ISO and DMM to provide a written report on the effectiveness of the mitigation approach, including Path 15 and 26, by December 31, 2013.	Supports. Encourages ISO to implement PG&E’s suggestion to monitor and report the effectiveness of the methodology and the special treatment for Path 15 and 26	Opposes. Thinks exceptional dispatch energy should be eliminated from supply portion for dynamical competitive path assessment; a static look-back based on historical data is not an actual test.	Opposes. Thinks that default non-competitiveness is too conservative; urges ISO to think of alternative methods.

Management Response:

Management has discussed three general methods during the latest paper and call, and expressed the proposed method is the best practical method. Management has demonstrated that statistical tests give results as the proposed triggers, which are a good balance given the asymmetric risk of under mitigation. Management has expressed the proposal follows the current tariff principle, and does not broaden the mitigation scope for un-modeled transmission constraints. Exclusion of exceptional dispatch energy from in-market mitigation is not part of this initiative. Further, it is appropriate to consider such energy in the in-market mitigation as it does impact the local market.

Management Proposal: Proposed Testing Thresholds of 10 hours and 75%

Stakeholder Comments

California Public Utilities Commission	Calpine Corporation	California Department of Water Resources – State Water Project	Dynergy Marketing and Trade LLC	GenOn Energy	J.P. Morgan Ventures Energy Corporation	NRG Energy	Pacific Gas & Electric	Six Cities	Southern California Edison	Western Power Trading Forum
Supports. Recommends revisiting the statistics of exceptional dispatch category, examining exceptional dispatch reasons, and evaluating real-time dynamic competitive path assessment failure.	Opposes.	Supports. Recommends that ISO monitor and evaluate whether the fixed thresholds and use of 60-days historical data are adequate.	Opposes.	Opposes.	Opposes.	Opposes. Suggests justifying the thresholds and trying a different approach.	Supports.	Supports.	Opposes. Does not think the thresholds are supported by data.	Opposes. Believe no justification for thresholds.

Management Response:

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Management has demonstrated that statistical tests give results as the proposed triggers, which are a good balance given the asymmetric risk of under mitigation.

Management has expressed the proposal follows the current tariff principle, and does not broaden the mitigation scope for un-modeled transmission constraints.

Exclusion of exceptional dispatch energy from in-market mitigation is not part of this initiative. Further, it is appropriate to consider such energy in the in-market mitigation as it does impact the local market.

Management Proposal: Proposed Special Treatment for Path 15 and 26

Stakeholder Comments

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No Comment.	No Comment.	Supports.	No Comment.				Opposes.		Opposes.	

Management Response:

Management has expressed that Path 15 and 26 should be treated specially because operating experience and studies have shown that these two constraints have abundant suppliers during normal operating conditions, and they may not be binding that often. Therefore, a default competitive designation considers the special conditions for these two major constraints.