

**Dispatch Operating Target Tariff Clarification**  
**Responses to Comments (submittal due date April 6, 2018)**

Organization	Summary	CAISO Response
AWEA	<ol style="list-style-type: none"> <li>1. Stakeholders would be better served by additional written information from the CAISO explaining the proposed changes to the tariff, the reason the changes/clarification are</li> <li>2. More opportunities for stakeholders to understand CAISO's intentions and provide feedback is needed required, and whether these changes will modify CAISO's ability to curtail VERs</li> <li>3. Requests that the CAISO host one additional stakeholder comment period and stakeholder call before filing the tariff language with FERC</li> <li>4. ACC recommends modifications to the proposed tariff language to clarify that the CAISO will only implement the DOT flag indicating VERs must adhere to their DOTs under two simultaneous conditions: (1) when a System Emergency is in progress or imminent, and (2) after all economic bids have been exhausted.</li> </ol>	<p>1-3 The CAISO provided additional information regarding the purpose of the tariff clarification during the 4/13/18 webinar. The tariff stakeholder process is being followed which allows for comment and feedback on the tariff language. Since the change is not a policy initiative, there is no need for a full SH initiative process. A subsequent call to review and discuss the proposed Tariff language will be scheduled. In addition, we will brief both the EIM Governing Body and BOG on this topic.</p> <p>4. The DOT flag is not mentioned in the proposed tariff language. It is a proposed ADS feature to improve usability and make it easier for participants to improve automated processes. The new flag will need to go through a requirements definition process at such time it will be discussed how to best utilize the flag. 4(2) The tariff clarifies that EIRs are not to exceed DOT when a negative supp is issued or if an Operating Instruction is issued. Neither circumstance indicates an existing System Emergency. The tariff does not state that the CAISO must exhaust all economic bids before issuing an Operating Instruction, as discussed in more detail below. As discussed on the SH call, VERs are an exception and can produce as capable unless they receive a negative</p>

		<p>supp value or an Operating Instruction to follow their DOT.</p>
EDF-RE	<p>1. Typical stakeholder process not followed  2. The CAISO's objectives and intent of the posted language are not clearly stated  3. The following are unclear a) substitution of the term "Operating Instruction" for the current "operating order" term in the CAISO Market Rules b) retention of the tariff provision that failure to follow what is now called Operating Instructions is a CAISO Market Rule Violation, but that failure to follow ADS Dispatch Instructions is not c) requirements to exhaust effective Economic Bids before issuing Operating Instructions d) Generator obligations to follow Dispatch Instructions generally e) SUPP clarifications f) compliance ability for resources without ADS</p>	<p>1-2. See above process comments.  3.a Operating Instruction (OI) is the same as the prior operating order. EDF is correct that “both can be issued to preserve local or system reliability, at the discretion of the operator, and would be invoked under the same conditions.”  3b. If an operating instruction is issued, the resource must not exceed its DOT. Failure to do so is a code of conduct violation. If a resource receives a dispatch instruction equal to its forecast the resource shall generate as capable. If a resource receives a dispatch instruction less than its forecast, the resource shall not exceed its DOT. A dispatch instruction that is not followed is not a code of conduct violation; however, it may be the basis of referral to FERC for inappropriate market behavior.  3.c Section 7.6 of the tariff states that the CAISO cannot assume supervisory control over other generating units until ISO has used all bids effective in responding to the problem. The tariff does not require the CAISO to “exhaust all effective economic bids” prior to issuing an Operating Instruction. In</p>

		<p>some cases the economic bids may not satisfy or resolve a local or system constraint.</p> <p>3.d For all resources except eligible intermittent resources, the resource’s dispatch instruction is to generate at its DOT. See answer 3b for the rules for eligible intermittent resources.</p> <p>3.e A resource can receive a negative SUPP if its economic bid does not clear the market, its self-schedule is curtailed, or the resource has ramp limitations. In all instances it is appropriate that the DOT will not equal the resource’s forecast. Therefore the resource will receive a dispatch instruction not to exceed its DOT.</p> <p>3.f Resources must be able to respond to a DI or OI – the tool or mechanism by which this is met is between the SC and resource and is an obligation of the SC.</p>
LSA	<ol style="list-style-type: none"> <li>1. Would like a more robust stakeholder process</li> <li>2. Wants the ISO to conduct analysis of the impacts to generating resources such as energy reduction, revenue reduction and impacts on specific generators</li> <li>3. Clearly defined criteria for enforcing the DOT</li> <li>4. LSA would like payments to generators for curtailed energy</li> </ol>	<ol style="list-style-type: none"> <li>1. See above process comments.</li> <li>2. The proposed tariff language change does not change how operations performs today. There is no change to the expectation for generating resources to follow their DOT given certain circumstances. An individual generator could work with their SC to obtain data.</li> <li>3. Please see slide 7 for DI and slide 8 for OI from the stakeholder call. The Tariff states that the ISO cannot assume supervisory control over other generating units until ISO has used all bids effective in responding to the problem. The tariff does not require us the CAISO to “exhaust all effective economic bids” prior to issuing an operating</li> </ol>

		<p>instruction. In some cases the economic bids may not satisfy or resolve a local or system constraint.</p> <p>4. The ISO market can compensate the scheduling coordinator of the resource. If the resource has a forward energy schedule (IFM or FMM) and its dispatch instruction is lower, the resource will have a negative imbalance. In the event market prices are negative, which is highly likely when EIRs are the marginal resource, the schedule coordinator has a negative imbalance settled at a negative price which results in a payment.</p>
NCPA	Needs clarification from the CAISO on whether the use of the NERC defined term, "Operating Instruction", means verbal communication to the Control Center or both verbal and electronic communication to the Control Center	Consistent with NERC COM-002-4, an Operating Instruction can be delivered through either written or verbal communications. The CAISO will clarify the tariff to reflect this.
NextEra	<ol style="list-style-type: none"> <li>1. The CAISO should not make policy changes solely within a tariff process</li> <li>2. The draft tariff does not consider the technical capability of wind and solar facilities to respond to five minute dispatch instructions</li> <li>3. The draft tariff does not consider the technical capability of wind and solar facilities to linearly ramp between dispatch operating targets</li> <li>4. the draft tariff will unjustly impose a potential code of conduct violation in the event an EIR cannot follow the Operating Instructions</li> </ol>	<ol style="list-style-type: none"> <li>1. See above process comments.</li> <li>2. All resources must have the ability to respond to a DI or OI</li> <li>3. The CAISO will clarify in the tariff note that resources should follow a linear ramp except when physically impossible.</li> <li>4. If an OI is received the EIR should not exceed its DOT. We clarified in the tariff language that the resource must follow a linear ramp between DOTs to the extent physically capable when it has receive an operating instruction.</li> </ol>
NRG	Typical stakeholder process was not followed	See above process comments.

PG&E	<ol style="list-style-type: none"> <li>1. Stakeholder process without stakeholder discussion of concerns raised in PRR 1004 is rushed</li> <li>2. The CAISO should provide clear guidance on the conditions when "follow the DOT" instructions will be used and should communicate why "follow the DOT" instructions were used in specific events</li> <li>3. The CAISO's instructions for Operating Instructions and Dispatch Instructions should be clear. The CAISO should also specify the reason for these instructions</li> </ol>	<ol style="list-style-type: none"> <li>1. See above process comments.</li> <li>2 and 3. When issuing an OI, the ISO can specify the reason - Local, system, regional, or resource</li> </ol>
Phoenix	Edits proposed directly to Tariff language	See additional proposed Tariff language changes.
Six Cities	Edits proposed directly to Tariff language	See additional proposed Tariff language changes.
SPower	<ol style="list-style-type: none"> <li>1. Concerns with stakeholder process not being run as a typical stakeholder initiative</li> <li>2. The proposed changes appear intended to allow EIRs to produce to their capability, i.e., to exceed the Dispatch Operating Target (DOT) in an ADS Dispatch Instructions unless they receive an Operating Instruction ordering them to follow the Dispatch Instruction. These changes would remove a major inconsistency between the tariff and CAISO operating practice by allowing EIR production above the DOT under most conditions</li> <li>3. Retention of the tariff provision that failure to follow what is now called Operating Instructions is a CAISO Market Rule violation, but that failure to follow ADS Dispatch Instructions is not</li> <li>4. The new provision requiring EIRs to follow DI when an OI is issued references existing CAISO tariff Section 7.6. That tariff section requires exhaustion of effective economic bids first. This provision is an important clarification that should be included in the new tariff language explicitly</li> <li>5. Some EIRs do not have ADS access and thus may not directly receive ADS DI, including those with the new ADS flag requiring compliance with the DI. Under the terms of their PPAs, those resources produce as much as they can unless directed not to do so by their off-takers/SCs</li> </ol>	<ol style="list-style-type: none"> <li>1. See above process comments.</li> <li>2. Yes, but an operating instruction and dispatch instruction are separate instructions. If the DOT is equal to the resource's forecast, the dispatch instruction is for the resource to generate as capable. If the DOT is less than the resource's forecast, the dispatch instruction is to not exceed the DOT. If the resource receives an operational instruction, the resource is not to exceed its DOT and to the extent physically possible follow a liner ramp between DOTs</li> <li>3. No, the tariff language does not turn the DI into an OI</li> <li>4. Addressed previously</li> <li>5. Addressed previously</li> </ol>

WPTF	<ol style="list-style-type: none"><li>1. Concerns with stakeholder process not being run as a typical stakeholder initiative</li><li>2. Suggests the ISO is making significant policy changes here</li></ol>	<ol style="list-style-type: none"><li>1. See above process comments.</li><li>2. The ISO is not making policy changes in this tariff process and therefore a full stakeholder initiative process is not warranted. The tariff process does allow for comment submittal and responses and additional iterations as appropriate.</li></ol>
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