



Comments of Pacific Gas & Electric Company

Dispatch Operating Target Tariff Clarification – Draft Tariff Language

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) respectfully offers the following comments on the California Independent System Operator’s (CAISO) Dispatch Operating Target Tariff Clarification Initiative Draft Tariff Language.

PG&E has reviewed the proposed Tariff changes in the Dispatch Operating Target Tariff Clarification initiative and NERC COM 002-4. Though supportive of the overall objective, PG&E is concerned about the rushed process that created these Tariff changes, as well as the lack of clarity for how these new procedures will be used.

In summary:

1. The CAISO’s process in this initiative of issuing Tariff changes without a stakeholder discussion of the concerns raised during the PRR 1004 process is rushed. Market participants should have sufficient opportunity to consider all of the ramifications of the changes.
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.
3. The CAISO’s instructions for Operating Instructions and Dispatch Instructions should be clear. The CAISO should also specify the reasons for these instructions.

1. The CAISO’s process in this initiative of issuing Tariff changes without a stakeholder discussion of the concerns raised during the PRR 1004 process is rushed. Market participants should have sufficient opportunity to consider all of the ramifications of the changes.

PG&E appreciates that that the CAISO wishes to move expeditiously, but stakeholders raised a variety of concerns during the PRR 1004 process. PG&E is concerned that these issues have not been adequately addressed and that the CAISO continued to include the revisions contained in PRR 1004 in the relevant Business Practice Manual until April 4, 2018 despite officially putting the PRR changes on hold. Additionally, PG&E notes that the CAISO does not plan to present this language to the Board of Governors and intends to file the language with FERC one month after receiving stakeholder comments. PG&E asks CAISO to explain why Board of Governors approval is not needed for these

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tariff changes. PG&E also asks the CAISO to address stakeholder concerns related to PRR 1004 prior to sending draft tariff language to FERC.

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.

While PG&E does not take issue with the CAISO having an additional tool to manage oversupply and reliability, the reasons for the use of this tool thus far have been opaque. On 3/24/18 and 3/25/18, the CAISO issued a message stating, “The ISO is *anticipating potential* [emphasis added] oversupply. Scheduling Coordinators for all resource types are instructed to follow all ADS and verbal dispatch instructions to prevent balancing issues in the CAISO BAA.” These “Follow the DOT” messages were issued for over 4 hours continuously on Saturday, 3/24/18, and almost 8 hours on Sunday, 3/25/18. According to Section 7.6.1 of the Tariff, the CAISO should first use “generation control it is able to obtain from the Energy and Ancillary Services Bids it has received to respond to the operating event and maintain reliability.” It is unclear why the CAISO issued 12 hours of “Follow the DOT” instructions and whether it had used all Energy and AS Bids it had received for the entire duration of this time. Oversupply in general, and certainly “*anticipated potential*” oversupply, should be handled through economic curtailment prior to Operating Instructions. Based on our experience with “Follow the DOT” instructions, PG&E is concerned that this tool is not being used appropriately, leading to over-curtailment of renewable resources, including when prices are positive.

3. The CAISO’s instructions for Operating Instructions and Dispatch Instructions should be clear. The CAISO should also specify the reasons for these instructions.

PG&E requests additional clarity in how the CAISO conveys Operating Instructions and, relatedly, negative SUPPs. First, the CAISO operators should clearly identify when they are giving an Operating Instruction, whether verbal, via MNS, or via ADS by clearly stating such instruction is an “Operating Instruction.” Second, PG&E is concerned that electronic instructions that are not given via ADS or verbally may be missed. Therefore, PG&E requests at a minimum, that “Follow the DOT” should always be given in ADS. Similarly, PG&E understands that there are market participants that are confused about the varied reasons for negative SUPPs, which the CAISO has previously stated would only be used during economic curtailment or oversupply. PG&E has learned that the CAISO may use negative SUPPs for a variety of reasons. PG&E is recommending the CAISO implement a mechanism similar to the existing process for Exceptional Dispatch (ED) instructions, which provides a code in ADS describing the reason of the “Follow the DOT” or negative SUPP instruction. A code in ADS describing the curtailment will allow the resource to respond in a timely manner. In addition, PG&E recommends the CAISO provide an after the fact report on the cause of each curtailment in CMRI in order to be transparent to the resource on the reason for the curtailment (i.e. Economics, Reliability, etc.).

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Finally, Section 6.4 of the Tariff changes says, “the CAISO shall use normal verbal and electronic communication to issue Operating Instructions to the Connected Entity.” However, NERC COM 002-4 states that 3-part communication must be used for Operating Instructions. We request the CAISO clarify how Operating Instructions will be conveyed electronically and how 3-part communication would then be used.