

PG&E Comments: Dispatch Operating Target Tariff Clarification: Revised Tariff Language

On April 13, 2018, the CAISO held a call on Dispatch Operating Target Tariff Clarification where the CAISO stated that “Follow-DOT” orders for VER resources is not a policy change however the CAISO is providing the following clarifications to the Tariff and ADS.

Focusing on one of the items the CAISO touched upon where CAISO states that there are operating conditions that require VER resources to follow DOT even without a Negative SUPP. This requires the CAISO to issue an Operating Instruction.

PG&E got the sense that market participants were struggling with the clarification on the difference between not following an ADS dispatch without an Operating Instruction from the CAISO and with one. On the call, PG&E recognized that the CAISO intent to communicate the difference may have been missed or not completely understood by the market participants.

- Not complying with an “Operating Order” soon to be issued as an “Operating Instruction” is currently a violation of CAISO Tariff 37.2.1 *“A Market Participant’s failure to obey an operating order containing multiple instructions to address a specific operating condition will result in a single violation”* Note, no specific sanctions are mentioned in the Tariff for this violation.
- Not complying with an ADS Dispatch Instruction (DOT) is currently not a violation of the Tariff however the resource is subject to Uninstructed Imbalance energy. The CAISO did mention that if a resource is found to be “Strategically” not complying with ADS instructions then the CAISO can inform FERC.

The table below (next page) is PG&E’s attempt to capture the expected actions for these various conditions. PG&E suggests that the CAISO communicates something similar as this chart illustrates to all Market Participants to ensure success among all parties involved...CAISO, SC’s, VER Resources, etc.

CAISO Conditions	Neg SUPP (in ADS)	Ops Instruction (Issued verbally and/or through MNS Messaging. New ADS flag in the future)	Resource's Excepted Action	Result for <u>not</u> Complying	CAISO Tariff Section	CAISO Tariff Summary
Normal System Conditions	No	No	Generate as capable	n/a	34.13.11 - Response Required by Resources to Dispatch Instructions	VER resources to generate as capable unless issued an Operating Instruction to not generate in excess of DOT.
Normal System Conditions	Yes	No	Should Follow	Uninstructed Imbalance Energy	37.2.1 - Comply with Operating Orders 34.13.12 - Failure to Conform to Dispatch Instructions 11.5.2 - Uninstructed Imbalance Energy	Deviation from an ADS Dispatch Instruction shall not constitute a violation of this Section 37.2.1.1 If the resource is considered to be non-conforming, the SC for the resource concerned shall be subject to Uninstructed Imbalance Energy The CAISO shall account for UIE every five minutes based on the resource's Dispatch Instruction *CAISO may report to FERC if a resource is found to be "Strategically" not complying with ADS.
Challenging Local or System Conditions	Yes	Yes	<u>Must</u> Follow	Code of Conduct Violation	37.2.1 - Comply with Operating Orders	A Market Participant's failure to obey an operating order containing multiple instructions to address a specific operating condition will result in a single violation of Section 37.2. * no specific Sanction mentioned in Tariff
Challenging Local or System Conditions	No	Yes	<u>Must</u> Follow	Code of Conduct Violation	37.2.1 - Comply with Operating Orders	A Market Participant's failure to obey an operating order containing multiple instructions to address a specific operating condition will result in a single violation of Section 37.2. * no specific Sanction mentioned in Tariff