



Dispatch Operating Target (DOT) Tariff Clarification

Jordan Pinjuv
Senior Counsel, Legal

Don Tretheway
Senior Advisor, Market Design Policy

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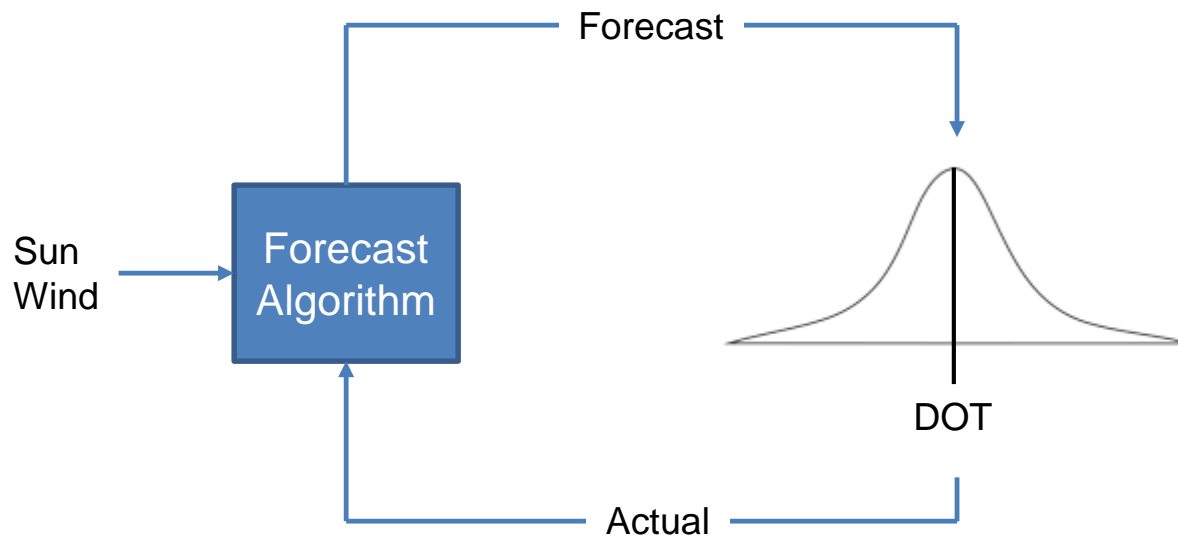
Tariff stakeholder process objectives

- The tariff development process is a stakeholder process that provides an open and transparent discussion with comments considered
- Based on stakeholder input, determined proposed BPM changes to clarify DOT rules were not sufficient without corresponding tariff clarifications
- Current EIR policy was developed through FERC Order 764 initiative that enabled EIR to be dispatched using a 5-minute forecast and economically bid

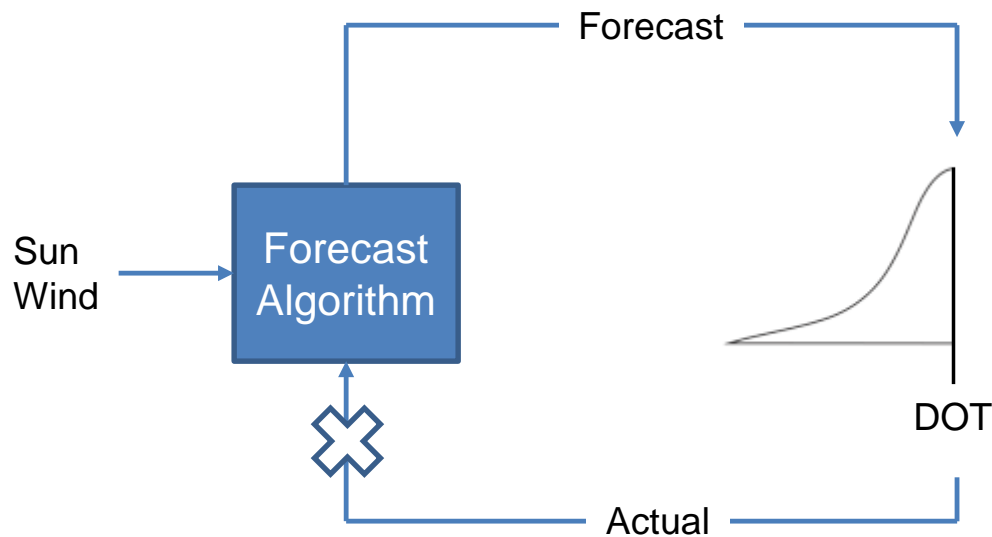
Issue statement: Unlike other resources which must always follow DOT, an exception is needed for EIRs

- If an EIR always followed its DOT, the forecast will decrease over time to zero because positive forecast error is not observed
- After Order 764 design changes went live we clarified in the BPM that EIRs can generate as capable unless they received a negative SUPP
- There are operating conditions that will require an EIR to follow their DOT even without a negative SUPP. This will require an Operating Instruction

EIR generating as capable improves forecast over time because of feedback loop



If EIR follows its DOT, the actual output can only be lower than forecast

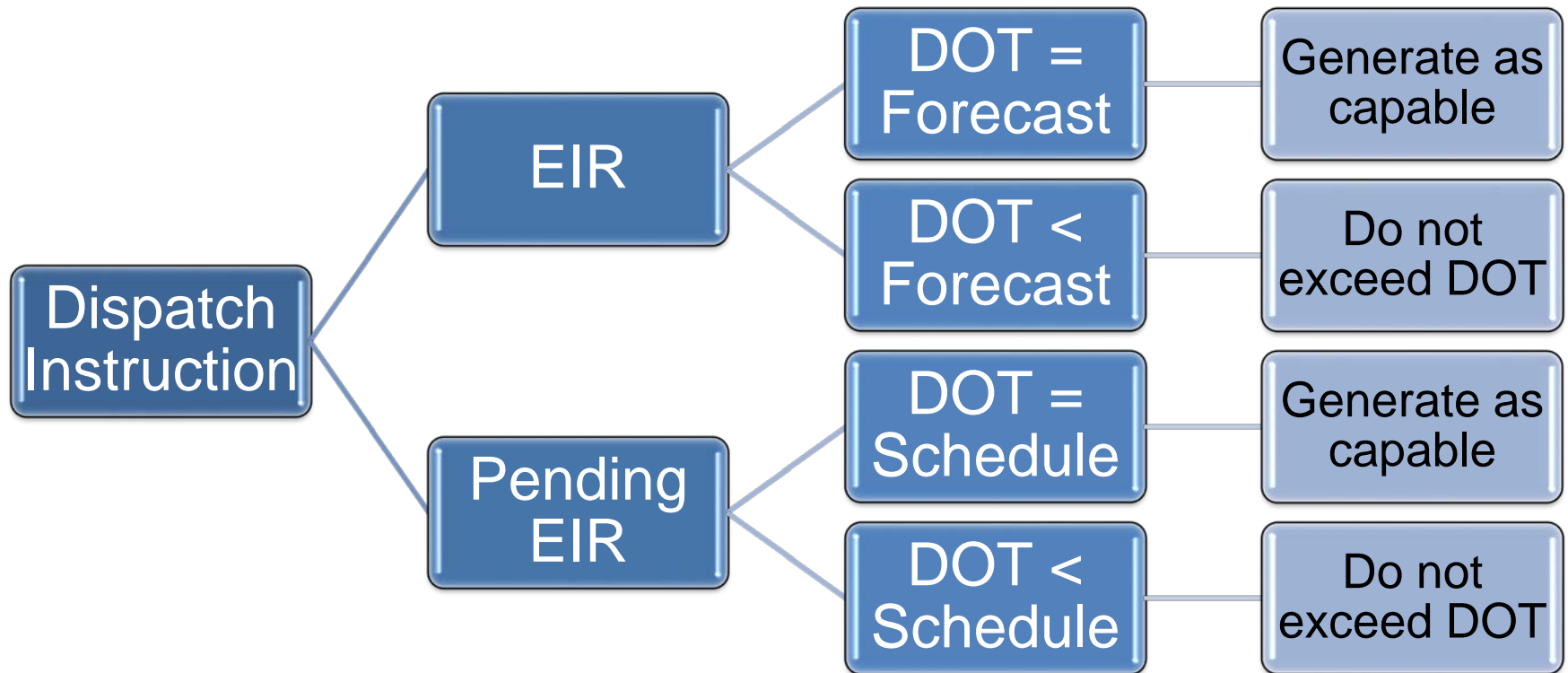


Need to exclude these intervals from the forecast algorithm

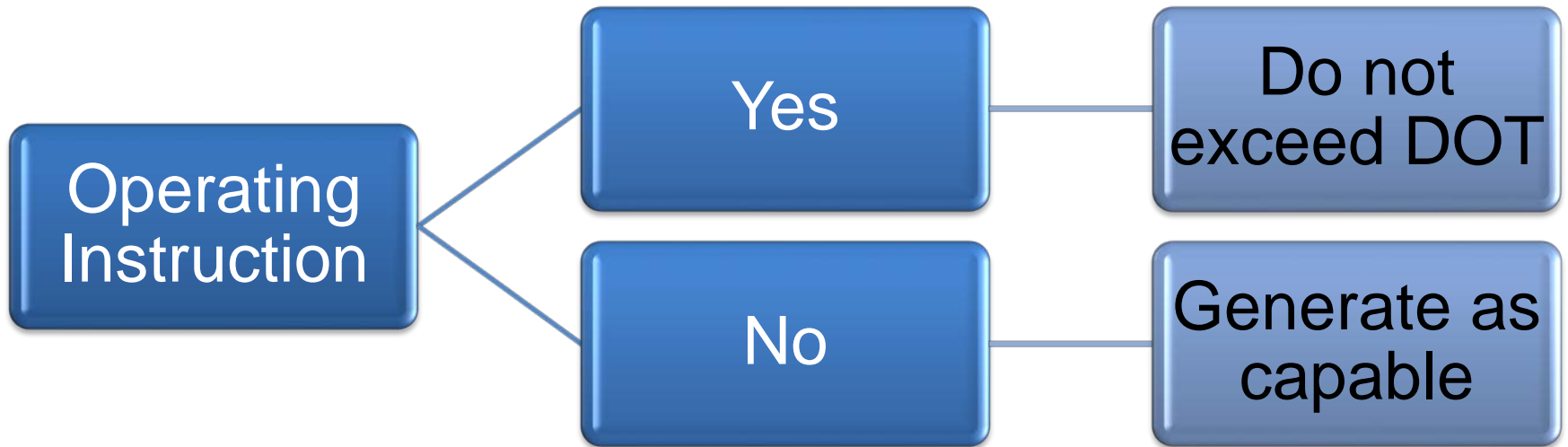
While not a policy change, we propose to provide additional clarity in tariff and ADS

- Clarifications made to tariff
 - Adds a rule that explicitly allows EIRs to generate as capable unless told otherwise; all other resources must follow DOT
 - Provides consistency with NERC standards in the use of Operating Instruction vs Operating Order vs Dispatch Instruction
 - Corrections to DOT vs DOP
- New ADS flag for EIRs for when DOT must be followed
 - Market results in a negative SUPP flag set to “Yes”
 - Operations turn flag to “Yes” due to oversupply conditions
 - At System, Region, Local, and Resource level

Normal system conditions



Challenging local or system conditions



Schedule

	Date
Post Tariff Language	March 22, 2018
Comments Due	April 6, 2018
Stakeholder Tariff Web Meeting	April 13, 2018
Brief EIM Governing Body	TBD
Brief ISO Board of Governors	TBD
File with FERC	TBD

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