

**SCE Comments on Generator Availability Reporting Tariff Language
May 14, 2008**

SCE appreciates the opportunity to review and comment on the CAISO's proposed Tariff language to implement changes to the generator availability reporting requirements. We are supportive of the CAISO's proposal as well as the schedule to have this item approved at next week's Board meeting.

Based on our review, we feel that proposed Tariff language for Section 37.4.1.2 (Sanctions) needs to be clarified. Attached are recommended changes (redline) to Section 37.4.1.2 to more clearly define "violations", "failures" and associated sanctions. Please let me know if you have any questions.

(See attached file: Generator Availability Reporting Section 37.4.1.2 (SCE).doc)

Thanks,
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37.4.1.2 Sanctions.

A "violation" for purposes of this Section shall ~~mean be defined as the second and each subsequent failure, within a calendar month, of the Operator of a Generating Unit~~ to report an Outage for a specific Generating Unit within sixty (60) minutes after the Outage is discovered, ~~as required by Section 9.3.10.2.1, except that the first failure in each calendar month shall not constitute a violation.~~

The Sanctions for a violation of Section 37.4.1 shall be as follows:

~~(a) for the~~ The first violation in of each a calendar month shall result in the CAISO issuing; a warning letter to the Operator of the Generating Unit that failed to report in accordance with Section 9.3.10.2.1;

~~(b) for the~~ The second and each subsequent violations in a calendar month shall result in the CAISO assessing; a monetary Sanction to the Operator of the Generating Unit that failed to report in accordance with Section 9.3.10.2.1. The monetary Sanction shall be equal to the following:

(i) If the Operator of the Generating unit has no prior monetary sanctions within 12 months of the date of the violation, the Sanction shall be \$1,000;

(ii) If the Operator of the Generating unit has one prior monetary Sanction within 12 months of the date of the violation, the Sanction shall be \$2,000;

(iii) If the Operator of the Generating unit has two or more prior monetary Sanctions within 12 months of the date of the violation, the Sanction shall be \$5,000.

~~will be assessed.~~

~~The first monetary Sanction based on a violation during a rolling twelve (12) month period will be \$1,000; the second monetary Sanction based on a violation during a rolling twelve (12) month period will be \$2,000; the third and subsequent monetary Sanctions based on violations during a rolling twelve (12) month period will be \$5,000.~~

A Market Participant shall not be subject to more than one Sanction per Generating Unit per calendar day for violating Section 37.4.1.