

From: Woertz, Byron  
Sent: Wednesday, May 16, 2001 1:58 PM  
To: ISO Market Participants  
Subject: CAISO Notice - REVISED VERSION: April 26, 2001 FERC Order  
Data Reporting Requirements for QFs  
Importance: High

REVISED

ISO Market Participants:

On April 26, 2001, the Federal Energy Regulatory Commission (FERC) issued its "Order Establishing Prospective Mitigation and Monitoring Plan for the California Wholesale Electric Markets and Establishing an Investigation of Public Utility Rates in Wholesale Western Energy Markets." One of the fundamental principles of this Order is to:

"Require sellers with PGAs as well as non-public utility generators located in California, that make sales through the ISO's markets or that use the ISO's interstate transmission grid (with the exception of hydroelectric power), to offer all their available power in real time during all hours."

The Order also requires generators covered by the Order to report certain generator performance data to the ISO.

On April 27th and 30th and on May 7th, the ISO issued Market Notices on the Order's requirement for submission of generator performance data. Since that time, the ISO has received several questions regarding the applicability of the Order to Qualifying Facilities (QFs). By this Supplemental Market Notice, the ISO clarifies the Order's applicability to QFs as follows:

#### Applicability

The Order sets forth a "must-offer" obligation on certain generators, requiring these generators to offer to the ISO, in real-time, all available capacity not under contract. At Section II.B. "Selling Obligations," the Order provides that the following categories of generators are subject to the must-offer requirements:

- \* Those generators with Participating Generator Agreements (PGAs);
- \* All sellers into ISO markets, including non-public utility sellers, that own or control generators located in California;
- \* To the extent all sellers of energy that own or control generators in California (including non-public utilities) are not selling "into ISO markets", the Order includes all sellers that own or control generators in California (including

non-public utilities) whose power uses the ISO-controlled interstate transmission facilities.

The Order applies to all QFs in California. All QFs in California use the interstate transmission facilities operated by the ISO, whether supplying power under power purchase agreements (PPA) with the UDCs or engaging in bilateral transactions. Whether or not a QF must comply with the reporting requirements outlined below depends on the specific circumstances applicable to the facility.

If a QF supplies all of its power pursuant to its power purchase agreement (PPA) with the UDC, the QF does not have available capacity subject to the "must-offer" condition and it does not have to comply with reporting requirements outlined below. In these circumstances, the power generated under the contract is already scheduled with the ISO and is serving load in California.

If a QF has either: (1) a PPA with the UDC that has expired (or who has received a regulatory or court order allowing the QF to sell the contracted-for capacity to third parties) or (2) capacity in excess of the amounts under contract to the UDCs, then the QF is subject to the "must-offer" condition and it must comply with reporting requirements outlined below.

#### Reporting Requirements

In addition to establishing a "must-offer" obligation, the Order requires generators to provide certain operating data to the ISO to enable it to verify the amount of available capacity from each generating unit as defined above. Each above-defined generating unit must submit to the ISO data on:

1. Pmax;
2. Pmin;
3. Unit ramp rate;
4. Heat rates (for units using natural gas as their primary fuel);and
5. Emission rates (for units using natural gas as their primary fuel).

Please ensure that all of the above-mentioned data is submitted to Jim Price at the ISO ([jprice@caiso.com](mailto:jprice@caiso.com)) no later than 5:00 p.m. PST on Wednesday, May 16. Although the deadline for submitting heat and emission rates was May 1, the ISO will accept those data through May 16, 2001.

Thank you for your cooperation.

Byron B. Woertz, Jr.  
Director, Client Relations  
(916) 608-7066  
(800) 481-7037 - Pager