

August 7, 2014

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Flexible Resource Adequacy Capacity Requirement
Amendment
Docket No. ER14-2574-000**

Dear Secretary Bose:

On August 1, 2014, the California Independent System Operator Corporation ("CAISO") submitted for filing and Commission acceptance in this docket a tariff amendment to establish a flexible resource adequacy capacity requirement. It has come to the attention of the CAISO that the transmittal letter submitted in conjunction with the filing inadvertently contained two incorrect numbers on page 25, thereby resulting in an incorrect calculation in the CAISO's example: The filing should have read as follows:

"Following the example above, the CAISO requires 2,450 MW of contingency reserves to address a 35,000 MW forecasted peak. The flexible capacity need already contemplates that flexible capacity will provide 50 percent of the contingency reserves (1,225 MW). If a review of historic data shows that flexible capacity resources have actually provided 70 percent of contingency reserves, then the forecast adjustment cannot exceed 20 percent (the percent by which flexible capacity actually used for contingency reserves exceeded the expected percentage), multiplied by ~~1,225~~ 2,450 MW (which already accounts for flexible capacity providing contingency reserves), which results in an adjustment of ~~245~~ 490 MW."

Therefore, the CAISO submits this filing to supplement the record in this proceeding by replacing two numbers in the example on page 25 of the transmittal letter. We apologize for any inconvenience this may have caused.

The CAISO has served copies of this transmittal letter on the CPUC, the California Energy Commission, all parties with effective Scheduling Coordinator

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Service Agreements under the CAISO tariff, and the parties to Docket No. ER14-2574-000. In addition, the CAISO is posting this transmittal letter on the CAISO website.

If there are any questions concerning this filing, please contact the undersigned.

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Respectfully submitted,

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Dated: August 7, 2014