

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION
103 FERC ¶ 61,132

Before Commissioners: Pat Wood, III, Chairman;
William L. Massey, and Nora Mead Brownell.

California Independent System Operator

Docket No. ER01-836-003

ORDER CONDITIONALLY ACCEPTING PROPOSED TARIFF REVISIONS

(Issued May 6, 2003)

1. In this order, the Commission conditionally accepts the proposed Tariff revisions filed by the California Independent System Operator Corporation (California ISO). In addition, we direct the California ISO to make a compliance filing. Our decision here benefits the customers by having clear market rules.

Background

2. On March 14, 2001, the Commission issued an order conditionally accepting proposed tariff revisions and other proposals (Amendment No. 35) filed by the California ISO.¹ In that order, the Commission, among other things: (1) directed the California ISO to make a compliance filing to correct an error in three places where it incorrectly uses the term "Imbalance Energy" instead of "Supplemental Energy;" and (2) rejected the California ISO's proposal to permit mixed elections which would allow Reliability Must-Run (RMR) unit owners to elect for the same hour market payment for part of the instructed reliability energy and contract payment for the rest of the instructed reliability energy.

3. On April 13, 2001, the California ISO made a compliance filing purporting to conform with the Commission's directives in the March 14 Order. In its compliance filing, the California ISO revised its Tariff to: (1) to correct the error noted, *i.e.*, use of the term "Imbalance Energy" instead of "Supplemental Energy;" and (2) delete proposed language which would allow RMR unit owners to elect for the same hour market

¹California Independent System Operator, 94 FERC ¶ 61,266 (2001)(March 14 Order).

payment for part of the instructed reliability energy and contract payment for the rest of the instructed reliability energy. This language was replaced with language previously approved and accepted by the Commission prior to the submittal of Amendment No. 35.

4. Notice of the filing was published in the Federal Register, 67 Fed. Reg. 20,797 (2001), with comments, protests, and interventions due on or before May 4, 2001. On May 4, 2001, Modesto Irrigation District (Modesto) filed a motion to intervene and protest.

Discussion

Procedural Matters

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,² the timely, unopposed motion to intervene and protest by Modesto serves to make it party to this proceeding.

The Compliance Filing

6. Modesto states that, in the March 14 Order, the Commission rejected the California ISO's to permit an RMR unit owner to elect to receive a market payment for part of its instructed reliability energy and a contract payment for the rest of its instructed reliability energy. Modesto notes that the California ISO, in its compliance filing, deleted the language that the Commission rejected in the March 14 Order, and restored most of the California ISO Tariff language that had existed prior to its submittal of Amendment No. 35. Modesto alleges, however, that the California ISO omitted part of the prior language. The language that Modesto alleges is missing from section 2.2.12.2.2, entitled "RMR Contract Option" is:

Notwithstanding anything to the contrary in the RMR Contract, neither the Applicable RMR Owner nor the Applicable RMR SC shall be entitled to any payment from any source for RMR Energy that is not bid and scheduled as required by this Section 2.2.12.2.2.³

²18 C.F.R. § 385.214 (2002).

³See California ISO's First Replacement Volume No. 1, Third Revised Sheet No. (continued...)

7. Modesto states that, while the California ISO's omission of this language may have been inadvertent, failure to restore this language to the California ISO's Tariff risks allowing RMR units to be paid by alternate sources, or through alternate procedures, other than those permitted by Section 2.2.12.2 and customers taking service under the transmission owner's tariff could be placed at risk for being charged for RMR services that were paid for by another source. Modesto also states that the California ISO did not explain why it omitted the missing language from Section 2.2.12.2.2.

8. Modesto requests that the Commission direct the California ISO to restore the omitted language to Section 2.2.12.2.2.

Commission Conclusion

9. The California ISO for the most part has complied with the Commission's directives in its compliance filing. However, while the California ISO restored most of the language accepted prior to Amendment No. 35 in its compliance filing, it omitted certain language and did not provide an explanation of why it did so. We direct the California ISO to make a further compliance filing to add the omitted language.

The Commission orders:

(A) The California ISO is hereby directed to submit a compliance filing, as discussed in the body of this order, within 30 days of the date of this order.

(B) The California ISO's proposed Tariff revisions, as modified in Ordering Paragraph (A), are hereby accepted for filing.

(C) The California ISO is hereby informed that rate schedule designations will be supplied in a future order. Consistent with our prior orders, the ISO is hereby directed to promptly post the Tariff sheets, as revised in this order, on the Western Energy Network.

By the Commission.

(S E A L)

³(...continued)

25, Superseding Second Revised Sheet No. 25.

Magalie R. Salas,
Secretary.