

January 20, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Errata to Compliance Filing
Docket No. ER11-2705-_____**

Dear Secretary Bose:

On January 19, 2011, the California Independent System Operator (“ISO”) submitted a filing in this proceeding in compliance with the December 16, 2010 order of the Federal Energy Regulatory Commission (the “Commission”).¹ The compliance filing included revisions to Section 24 of the ISO tariff, including, as relevant here, Section 24.4.6.4. After the ISO submitted the compliance filing, it discovered that the revisions to Section 24.4.6.4 were not entered into the eTMS system and those revisions were not included in the generated .xml file submitted for filing. Therefore, the ISO submits a corrected .xml file which includes the intended revisions and matches the clean sheets and blacklines submitted for the January 19, 2011 compliance filing. The ISO apologizes for any inconvenience it may have caused.

Attachment A to this filing contains a clean ISO tariff sheet that includes Section 24.4.6.4 as revised in the January 19, 2011 compliance filing. Attachment B to this filing contains the revisions to Section 24.4.6.4 shown in black-line format.

¹ *California Independent System Operator Corp.*, 133 FERC ¶ 61,224 (2010) (“December 16 Order”).

The Honorable Kimberly D. Bose
January 20, 2011
Page 2

The ISO requests that the Commission accept this filing as complying with the directives to revise the ISO tariff contained in the Commission's December 16, 2010 Order. Please contact the undersigned with any questions regarding this matter.

Respectfully submitted,

By: /s/ Judith B. Sanders

Nancy Saracino

General Counsel

Anthony J. Ivancovich

Assistant General Counsel-Regulatory

Judith B. Sanders

Senior Counsel

The California Independent

System Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel: (916) 351-4400

Fax: (916) 351-2222

Attorneys for the California Independent System Operator Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all parties listed on the official service lists for Docket Nos. ER11-2705-000, ER10-1401-000, ER10-2191-000, and EL10-76-000 in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, CA. this 20th day of January, 2011.

/s/ Anna Pascuzzo
Anna Pascuzzo

Attachment A – Clean Tariff
ERRATA - Revised Transmission Planning Process Tariff Amendment Refile and Compliance
California Independent System Operator Corporation
Fifth Replacement FERC Electric Tariff

24.4.6.4 Projects to Maintain the Feasibility of Long Term CRRs

The CAISO is obligated to ensure the continuing feasibility of Long Term CRRs that are allocated by the CAISO over the length of their terms. In furtherance of this requirement the CAISO shall, as part of its annual Transmission Planning Process cycle, test and evaluate the simultaneous feasibility of allocated Long Term CRRs, including, but not limited to, when acting on the following types of projects: (a) planned or proposed transmission projects; (b) Generating Unit or transmission retirements; (c) Generating Unit interconnections; and (d) the interconnection of new Load. Pursuant to such evaluations, the CAISO shall identify the need for any transmission additions or upgrades required to ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms and shall publish Congestion Data Summary along with the results of the CAISO technical studies. In assessing the need for transmission additions or upgrades to maintain the feasibility of allocated Long Term CRRs, the CAISO, in coordination with the Participating TOs and other Market Participants, shall consider lower cost alternatives to the construction of transmission additions or upgrades, such as acceleration or expansion of existing projects; Demand-side management; Remedial Action Schemes; constrained-on Generation; interruptible Loads; reactive support; or in cases where the infeasible Long Term CRRs involve a small magnitude of megawatts, ensuring against the risk of any potential revenue shortfall using the CRR Balancing Account and uplift mechanism in Section 11.2.4. As part of the CAISO's Transmission Planning Process, the Participating TOs and Market Participants shall provide the necessary assistance and information to the CAISO to allow it to assess and identify transmission additions or upgrades that may be necessary under Section 24.4.6.4. If, as part of the Transmission Planning Process, the CAISO identifies a Category 1 policy-driven element or an economically-driven element as being needed under Sections 24.4.6.6 and 24.4.6.7 that eliminates an identified need for a project to maintain the feasibility of allocated long-term CRRs, such element will retain its categorization as Category 1 policy-driven or economic element, respectively. If a transmission addition or upgrade required to maintain the feasibility of long-term CRRs provides other benefits without any expansion of its scope to explicitly include such benefits, such transmission addition or upgrade will retain its categorization as a project needed to maintain the feasibility of long-term CRRs. To the extent a transmission upgrade or addition is deemed needed to maintain the feasibility of allocated Long Term CRRs in accordance with this Section and included in the CAISO's annual Transmission Plan, the CAISO will designate the Participating TO(s) with a PTO Service

Territory in which the transmission upgrade or addition is to be located as the Project Sponsor(s), responsible to construct, own and finance, and maintain such transmission upgrade or addition.

Attachment B – Marked Tariff

ERRATA - Revised Transmission Planning Process Tariff Amendment Refile and Compliance

California Independent System Operator Corporation

Fifth Replacement FERC Electric Tariff

Language originally filed in Docket No. ER10-1401-000 on June 4, 2010 is shown in track changes, new compliance language is shown in yellow highlight track changes.

24.4.6.4 Projects to Maintain the Feasibility of Long Term CRRs

The CAISO is obligated to ensure the continuing feasibility of Long Term CRRs that are allocated by the CAISO over the length of their terms. In furtherance of this requirement the CAISO shall, as part of its annual Transmission Planning Process cycle, test and evaluate the simultaneous feasibility of allocated Long Term CRRs, including, but not limited to, when acting on the following types of projects: (a) planned or proposed transmission projects; (b) Generating Unit or transmission retirements; (c) Generating Unit interconnections; and (d) the interconnection of new Load. Pursuant to such evaluations, the CAISO shall identify the need for any transmission additions or upgrades required to ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms and shall publish Congestion Data Summary along with the results of the CAISO technical studies. In assessing the need for transmission additions or upgrades to maintain the feasibility of allocated Long Term CRRs, the CAISO, in coordination with the Participating TOs and other Market Participants, shall consider lower cost alternatives to the construction of transmission additions or upgrades, such as acceleration or expansion of existing projects; Demand-side management; Remedial Action Schemes; constrained-on Generation; interruptible Loads; reactive support; or in cases where the infeasible Long Term CRRs involve a small magnitude of megawatts, ensuring against the risk of any potential revenue shortfall using the CRR Balancing Account and uplift mechanism in Section 11.2.4. As part of the CAISO's Transmission Planning Process, the Participating TOs and Market Participants shall provide the necessary assistance and information to the CAISO to allow it to assess and identify transmission additions or upgrades that may be necessary under Section 24.4.6.4. If, as part of the Transmission Planning Process, the CAISO identifies a Category 1 policy-driven element or an economically-driven element as being needed under Sections 24.4.6.6 and 24.4.6.7 that eliminates an identified need for a project to maintain the feasibility of allocated long-term CRRs, such element will retain its categorization as Category 1 policy-driven or economic element, respectively. If a transmission addition or upgrade required to maintain the feasibility of long-term CRRs provides other benefits without any expansion of its scope to explicitly include such benefits, such transmission addition or upgrade will retain its categorization as a project needed to maintain the feasibility of long-term CRRs. To the extent a transmission upgrade or addition is deemed needed to maintain the feasibility of allocated Long Term CRRs in accordance with this Section and included in the CAISO's annual Transmission Plan, the CAISO will designate the Participating TO(s) with a PTO Service

Territory in which the transmission upgrade or addition is to be located as the Project Sponsor(s),
responsible to construct, own and finance, and maintain such transmission upgrade or addition.