

March 7, 2016

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

**Re: California Independent System Operator Corporation
Compliance Filing
Docket Nos. ER15-1451-001
EL15-98-000**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits this filing in compliance with the Commission’s February 26, 2016, letter order issued in the above-noted proceedings.¹

I. Background and Discussion

The February 26 order accepted the CAISO’s October 26, 2015, compliance filing² submitted in the above-noted proceedings, subject to the condition that the CAISO submit a further compliance filing within 30 days revising the first sentence of section 31.8.2 of the CAISO tariff. The February 26 order requires the CAISO to amend that sentence to state:

The CAISO may enforce a physical flow constraint limit at each internal and Intertie location in the IFM taking into account the total power flow contributions, which include internal schedules, which can be physical or virtual, import/export schedules, and the CAISO’s estimates of unscheduled flow at the Interties.³

Aside from amending the sentence noted, the Commission imposed no additional compliance items on the CAISO.

The CAISO hereby submits this compliance filing consistent with the Commission’s directives in paragraph 7 of the February 26 order.

¹ *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,142 (2016) (February 26 order).

² The February 26 order inadvertently refers to the initial CAISO compliance filing as having been made on October 16, 2016. The filing was actually made on October 26, 2016.

³ February 26 order at P 7.

II. Attachments

In addition to this transmittal letter, this compliance filing includes Attachments A and B. Attachment A contains clean CAISO tariff sheets reflecting the tariff revisions described above. Attachment B shows these revisions in black-line format.

III. Conclusion

The CAISO respectfully requests that the Commission approve the tariff modifications in Attachments A and B in compliance with the February 26 order, effective as of February 26, 2016. If there are any questions regarding this filing, please feel free to contact the undersigned.

Respectfully Submitted,

By: /s/ David S. Zlotlow

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CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, 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, California this 7th day of March, 2016.

/s/ Martha Sedgley
Martha Sedgley

Attachment A – Clean Tariff Records

Intertie Convergence Bidding Compliance Filing

California Independent System Operator Corporation

31.8.2 Physical Flow Constraint

The CAISO may enforce a physical flow constraint limit at each internal and Intertie location in the IFM taking into account the total power flow contributions, which include internal schedules, which can be physical or virtual, import/export schedules, and the CAISO's estimates of unscheduled flow at the Interties. The physical flow constraint limit at each Intertie is less than or equal to the Transmission Constraints, including Nomograms and Contingencies, affecting the Intertie. At each Intertie the scheduling and physical flow constraint limits may differ. In the RUC and RTM processes, the same physical flow constraint limit is applied and internal schedules and import/export schedules, which can only be physical, are considered along with the CAISO's estimates of unscheduled flow at the Interties. The CAISO will not enforce physical flow constraints at Interties for which the CAISO (1) is subject to contractual arrangements that provide for the management of unscheduled flows using other procedures; (2) has determined it cannot enforce the power flow constraints due to modeling inaccuracies, including inaccuracies in available data; or (3) has otherwise determined that enforcing the power flow constraints could result in adverse reliability impacts.

Attachment B – Marked Tariff Records

Intertie Convergence Bidding Compliance Filing

California Independent System Operator Corporation

31.8.2 Physical Flow Constraint

The CAISO may enforce a physical flow constraint limit at each internal and Intertie location in the IFM taking into account the total power flow contributions, which include internal schedules ~~and import/export schedules~~, which can be physical or virtual, import/export schedules, and the CAISO's estimates of unscheduled flow at the Interties. The physical flow constraint limit at each Intertie is less than or equal to the Transmission Constraints, including Nomograms and Contingencies, affecting the Intertie. At each Intertie the scheduling and physical flow constraint limits may differ. In the RUC and RTM processes, the same physical flow constraint limit is applied and internal schedules and import/export schedules, which can only be physical, are considered along with the CAISO's estimates of unscheduled flow at the Interties. The CAISO will not enforce physical flow constraints at Interties for which the CAISO (1) is subject to contractual arrangements that provide for the management of unscheduled flows using other procedures; (2) has determined it cannot enforce the power flow constraints due to modeling inaccuracies, including inaccuracies in available data; or (3) has otherwise determined that enforcing the power flow constraints could result in adverse reliability impacts.