

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>California Independent System Operator Corporation</b>	)	<b>Docket Nos. ER09-556-000,</b>
	)	<b>ER08-367-003,</b>
	)	<b>and ER06-615-039</b>

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO MODIFY EFFECTIVE DATE OF CERTAIN PROPOSED TARIFF REVISIONS AND FOR EXPEDITED ANSWERING PERIOD**

The California Independent System Operator Corporation (“ISO” or “CAISO”)<sup>1</sup> hereby files this motion to modify the effective date of certain revisions to the CAISO Tariff that the ISO proposed in the tariff amendment it submitted in these proceedings on January 15, 2009 (“January 15 Tariff Amendment”) and which is currently pending before the Commission.<sup>2</sup> Specifically, the ISO requests that the revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5 regarding the use of ramp rates for dispatching resources be made effective as of October 1, 2009, in lieu of the March 31, 2009 effective date proposed in the January 15 Tariff Amendment. As explained below, this change is necessary because the MRTU software modifications being developed to implement these tariff revisions will not be ready to be included in the MRTU software as of March 31. The ISO also respectfully requests that the Commission establish an expedited time period of three business days for parties to file any answers to

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff (also known as the Market Redesign and Technology Upgrade or MRTU Tariff), and except where otherwise noted, references to section numbers are references to sections of the CAISO Tariff.

<sup>2</sup> The ISO submits this motion pursuant to Rule 212 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.212.

this motion, in order to allow sufficient time for the Commission to rule on this motion in its upcoming order on the January 15 Tariff Amendment.

**I. Request to Modify the Effective Date of Proposed Revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5**

Section 34.5 sets forth principles that the ISO will observe in conducting Dispatch activities under MRTU, Section 34.15.1 sets forth resource physical Constraints that the ISO's Security Constrained Economic Dispatch will enforce under MRTU, and Section 34.15.5 concerns inter-hour Dispatch of resources without Real-Time Energy Bids. The ISO is moving forward to implement MRTU on March 31, 2009, as discussed in the ISO's March 5, 2009 MRTU status report.<sup>3</sup> The ISO will file a second MRTU status report on or about March 16, 2009.

In the January 15 Tariff Amendment, the ISO proposed a number of discrete clarifications to the CAISO Tariff. The clarifications included revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5 that are intended to reflect software changes to implement a "simplified" approach to the treatment of ramp rates utilized by the MRTU software, for the purpose of co-optimizing Energy scheduling and Ancillary Services procurement over multiple market intervals.<sup>4</sup> The simplified approach utilizes a pair of constraints to limit the "sharing" of a resource's ramping capability between inter-interval Energy schedule changes

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<sup>3</sup> See MRTU Readiness Certification, Docket No. ER06-615-038 (Jan. 16, 2009); March MRTU Status Report, Docket No. ER06-615-000 (Mar. 5, 2009).

<sup>4</sup> All of the revisions to Sections 34.5(10) and 34.15.1(c) are intended to reflect the simplified approach. The only revisions to Section 34.15.5 that are intended to reflect the simplified approach are the addition of the phrase "to the extent possible subject to the Regulation Ramping limitations" and the deletion of the sentence "Resources with slower Ramp Rates would have longer ramps, and at the extreme, would ramp from the middle of an hour to the middle of the next hour."

and Ancillary Service awards, in order to retain the resource's ability to deliver the procured Ancillary Services during the inter-interval ramping period.<sup>5</sup> These changes will likely improve the efficiency of the MRTU software but they are not essential to its successful operation. The ISO explained in the transmittal letter for the January 15 Tariff Amendment that it was testing the MRTU software modifications necessary to implement the tariff revisions reflecting the simplified approach.<sup>6</sup> Commission action on the January 15 Tariff Amendment, for which the ISO requested an effective date of March 31, is pending.

In recent days, the ISO has determined through its testing process that the MRTU software modifications needed to implement the revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5 are not performing well enough to be included in the MRTU software as of March 31. Soon after it identified this issue, the ISO posted on its website an MRTU Technical Bulletin that describes the ramping rules that will apply under MRTU until the simplified ramping rules can be put into effect.<sup>7</sup> The ISO also discussed the matter at its March 5, 2009 MRTU Parallel Operations Touchpoint conference call with Market Participants.<sup>8</sup> The ISO will

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<sup>5</sup> Further information regarding the simplified ramping approach is available on the ISO's website at <http://www.caiso.com/2354/2354107423420.pdf>; <http://www.caiso.com/2368/23687c996b230.pdf>; and <http://www.caiso.com/2368/2368bda5d280.pdf>.

<sup>6</sup> Transmittal letter for January 15 Tariff Amendment at page 13. The ISO only referenced the revisions to Sections 34.5(10) and 34.15.1(c) in that transmittal letter discussion. The ISO inadvertently omitted to also mention there the revisions to Section 34.15.5. Instead, the revisions to Section 34.15.5 were addressed solely on page 24 of the table provided as Attachment C to the January 15 Tariff Amendment, where the ISO explained that it proposed to "clarify the provisions in the section regarding ramping of resources without Real-Time Energy Bids."

<sup>7</sup> The Technical Bulletin is available at on the ISO's website at <http://www.caiso.com/2368/2368bda5d280.pdf>.

<sup>8</sup> An ISO briefing report regarding the matters discussed on the MRTU Parallel Operations Touchpoint conference call is available on the ISO's website at <http://www.caiso.com/2368/2368ae4967150.pdf>.

continue to develop the MRTU software modifications and anticipates that the software will be ready for implementation on October 1, 2009.<sup>9</sup>

As discussed above, a reason for adopting the simplified ramping rules is to improve the performance and efficiency of the co-optimization of Energy and Ancillary Services. The ISO still believes that, when the simplified ramping rules are implemented, they will be a valuable enhancement to the MRTU markets. However, subsequent to the development of the simplified ramping rules, the ISO has been able to make additional software improvements that have also enhanced performance. Specifically, the ISO has improved the consistency of Bids and Schedules used in the Short-Term Unit Commitment (“STUC”) for hours 3, 4, and 5 of the five-hour run of the STUC. By improving the consistency between Load forecast and Bids to better match awards in the Day-Ahead Market, the software is more readily able to come to a solution. The ISO has also made other improvements to the tuning of the software engine to augment its performance. As a result, deferring the implementation of the simplified ramping rules does not pose significant performance issues. Although the performance of the simplified ramping approach did not achieve the level of consistency the ISO was seeking, the ISO’s other software improvements have enhanced the performance of the existing ramping methodology.

For the reasons explained above, the ISO respectfully requests that the Commission make the revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5

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<sup>9</sup> Although the ISO anticipates having the software developed prior to October 1, 2009, the ISO believes that it should defer implementation until after the peak summer period and that, in the near term, its resources must necessarily be focused on ensuring a successful MRTU launch. This includes the time period between launch and the summer peak period.

effective as of October 1, 2009, in lieu of the March 31 effective date proposed in the January 15 Tariff Amendment.<sup>10</sup> This requested modification of the effective date will not undermine the continued justness and reasonableness of the current versions of Sections 34.5(10), 34.15.1(c), and 34.15.5 until the revisions to those sections go into effect, because the Commission has already found the current language of the sections to be just and reasonable.<sup>11</sup> Due to the discrete nature of the pending revisions to those sections, modifying the effective date of the revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5 will also not affect in any way the other previously approved provisions of the tariff, the other revisions contained in the January 15 Tariff Amendment, or any other proposed tariff revisions pending before the Commission. Therefore, modification of the effective date for these revisions to the tariff as requested by the ISO is appropriate.<sup>12</sup> In order to implement the requested October 1, 2009 effective date, the ISO respectfully requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of the notice requirements set forth in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3).

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<sup>10</sup> The ISO does not, however, request that the Commission modify the March 31 effective date the ISO proposes for all of the other tariff revisions contained in the January 15 Tariff Amendment, including the revisions to Section 34.5(7), to Sections 34.15.1(d), -(e), and -(g), and to the portions of Section 34.15.5 not mentioned in footnote 4 above. These other tariff revisions do not concern the use of ramp rates.

<sup>11</sup> See *California Independent System Operator Corp.*, 125 FERC ¶ 61,262, at Ordering Paragraph (A) (2008).

<sup>12</sup> Following Commission approval of the October 1, 2009 effective date, the ISO will submit on compliance revised tariff sheets for Sections 34.5(10), 34.15.1(c), and 34.15.5 that reflect that modified effective date.

## **II. Request to Expedite the Time Period for Answering This Motion**

The Commission's rules require that any answer to a motion must be made within 15 days after the motion is filed, unless the Commission otherwise orders.<sup>13</sup> The ISO respectfully requests that the Commission establish an expedited time period of three business days for parties to file any answers to the instant motion. This expedited time period will permit the Commission to review any answers in enough time for it to rule on the motion in its order on the January 15 Tariff Amendment, which order the ISO anticipates will be issued by March 16, 2009 (*i.e.*, 60 days after the January 15 Tariff Amendment was filed).<sup>14</sup> The ISO has served the instant motion on all parties in this proceeding by e-mail (where electronic service information has been provided) and has also posted a copy of this motion on the ISO's website. This approach will allow sufficient time for parties to file any answers regarding the modification of the effective date that the ISO requests within the three business day comment period requested by the ISO. As explained above, the modification of the effective date for Sections 34.5(10), 34.15.1(c), and 34.15.5 is the only modification the ISO proposes in this motion and it will have no effect on any previously approved tariff provisions or pending tariff changes. Therefore, the expedited answering period the ISO requests is appropriate.

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<sup>13</sup> Rule 213(d)(1) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(d)(1).

<sup>14</sup> Section 205 of the Federal Power Act requires the Commission to issue orders on tariff amendments within 60 days after they are filed. See *Public Service Company of Colorado*, 123 FERC ¶ 61,268, at P 6 (2008) (“[S]uch delays would prevent the Commission from issuing an order within 60 days from the date of filing, as required by section 205 of the Federal Power Act”).

### III. Conclusion

For the reasons explained above, the Commission should grant the modification of the effective date for the proposed revisions to Sections 34.5(10), 34.15.1(c) and 34.15.5, and the expedited time period for any answers to this motion, as requested by the ISO.

Respectfully submitted,

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Dated: March 6, 2009

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, 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 Washington, D.C. this 6<sup>th</sup> day of March, 2009.

/s/ Bradley R. Miliauskas  
Bradley R. Miliauskas